doro

ANNUAL REPORT 2019

Decade of technology enabled care

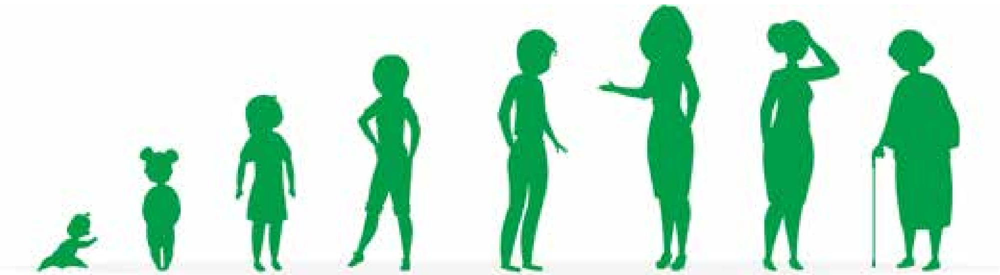
Contents

The formal annual report comprises pages 23-68.

"We do not have the workforce to fill all the roles in the healthcare sector and "customers" have increasing needs and requirements. I believe that flexible technology will be important for respecting individuals' needs and life-styles regardless of diagnosis. It is important to encourage people to be active for as long as possible. The longer they are active and independent, the later they will need formal care services or support from professionals.

Kristina Silverarfve, Head of Unit, Nyköping Municipality

Age happens to all of us



Doro is a technology company focused on seniors. We develop services and products for seniors to live independent, fulfilling lives. Our wide portfolio of security and care solutions digitally connect generations and provide solutions for independent living, both inside and outside the home. Doro is the market leader in social alarms in Sweden, Norway and the United Kingdom and the global market leader in mobile phones for seniors. Doro is a Swedish company with headquarter in Malmö and sales operations in 27 countries.

OPERATING MARGIN

5.4 %

Listed since

1993

on Nasdaq Stockholm Small Cap (DORO)

NUMBER OF EMPLOYEES

988 62% 38%

SALES

SEK 2,063 million

VISION

We empower seniors to get the most out of every day. We enable independence and ensure peace of mind when it matters most.

82 %

are happy with their Doro mobile phones*

* according to River research, June 2017

WHAT DORO OFFERS

Care – technology enabled care for digital care in the home; stationary and mobile social alarms, remote monitoring and alarm reception are sold to public actors, the civil society and private companies. More than 310,000 elderly people are connected to Doro's seven alarm receiving centres, where more than 25,000 alarms are handled every day.

Phones – in-house developed senior and mobile phones are sold through a network of over 300 telecom operators, distributors, specialists and dealers, mainly in Europe and North America. More than 2.7 million phones were sold in 2019.

The year in brief

SUCCESSFUL GROWTH IN CARE

The transition to a service-based company in technology enabled care continued and the service business accounted for 18.1 per cent of Doro's sales in 2019. Doro is now the market leader in telecare in three markets: Sweden, Norway and Europe's largest market the United Kingdom.

3 MILLION SENIORS

We think that everyone should be able to live a full and rich life, without compromise. We want to make ageing independent, invigorating and full. In 2019, Doro touched and supported 3 million seniors to live a more independent, safer and better life.

BIG SOCIAL BENEFITS WITH SMART TECHNOLOGY FOR SENIORS

In February, Doro presented a new European report on how technology can be the answer to the challenges and opportunities of an ageing population: Tech as a solution to the silver tsunami. The report shows how smart technology for seniors supports both individuals and society.

» Read the report on www.doro.com

BRITISH ACQUISITION

In September, Doro acquired the British telecare company Centra Pulse and Connect, thus expanding its service offering. Together with existing operations, Doro now manages around 200,000 connected social alarms in the United Kingdom.

NEW PHONES LAUNCHED IN 2019

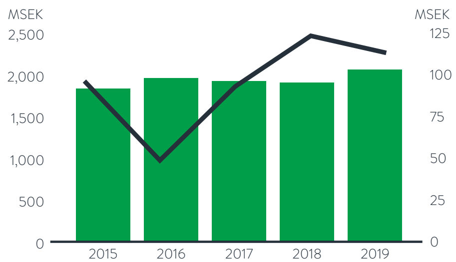
In order to best meet the needs and wishes of seniors, five new phones were launched in September: a new smartphone, the flagship Doro 8080, and four new feature phones. The phones have a modern design but at the same time performance and features adapted for seniors. The new launches have contributed to Doro gaining market share in the market for senior phones during the year in virtually all major markets in which the company operates.

Annual comparison key figures	**2019**	**2018**
Net sales, SEK million	2,063.0	1,906.4
Gross margin, %	31.5	33.4
Operating profit (EBIT), SEK million	112.1	122.3
Operating margin (EBIT), %	5.4	6.4
Cash flow from current operations, SEK million	242.6	221.8
Profit per share after tax, SEK	3.28	3.86
Dividend per share, SEK[1]	0	0
Number of employees at year-end	988	685

1) See information on proposal for profit allocation page 25.

Financial goals	**Goal**	**Goal fulfilment 2019**	**Goal fulfilment 2018**
Annual growth including acquisitions, %	at least 10	8.2	-0.9
Long-term operating margin (EBIT), %	at least 8	5.4	6.4
Income from services, long-term share of total income, %	at least 30	18	15
Net liabilities as proportion of EBITDA, times	maximum 2.5	0.40	0.54
Dividend as proportion of net profit after tax, %	33	0	0

Net sales and EBIT



Doro as an investment

Doro works continuously to create value for all stakeholders. For those who already have, and those considering, an investment in Doro, there are a number of factors that underpin the group's value creation.

5
reasons to invest in Doro

OFFERS THE BEST SOLUTION TO ONE OF THE WORLD'S GREATEST SOCIETAL CHALLENGES – THE AGEING POPULATION
With the aid of technology enabled care, we make ageing an independent, invigorating and full stage of life, while society can redistribute resources and manage an ageing population and lack of care workers.

STRONG CASH FLOW AND A GROWING PART OF THE BUSINESS THAT NEEDS LOW CAPITAL TIE-UP
Doro is developing and growing in profitability and has a strong cash-generating ability. Cash flow from current activities amounted to SEK 118.7 million in 2019. With leading positions, low indebtedness and a strong cash flow, a safe and stable foundation is created for the company.

ONE OF THE STRONGEST BRANDS IN THE NORDIC REGION FOR SENIORS
Doro's brand stands for knowledge, quality and innovation. With a deep understanding of seniors' needs and wishes in the later phases of life, Doro's brand is well known and the company has a market share in senior mobile phones of 45 per cent in the major European markets.

MARKET LEADERS AND LONG AGREEMENTS
In telecare, Doro is the market leader in Sweden, Norway and the United Kingdom with more than 310,000 connected seniors. Doro is the global market leader in senior phones with 2.7 million phones sold in 2019. Doro has a strong sales organisation with high technical know-how and good, long-term relationships with customers.

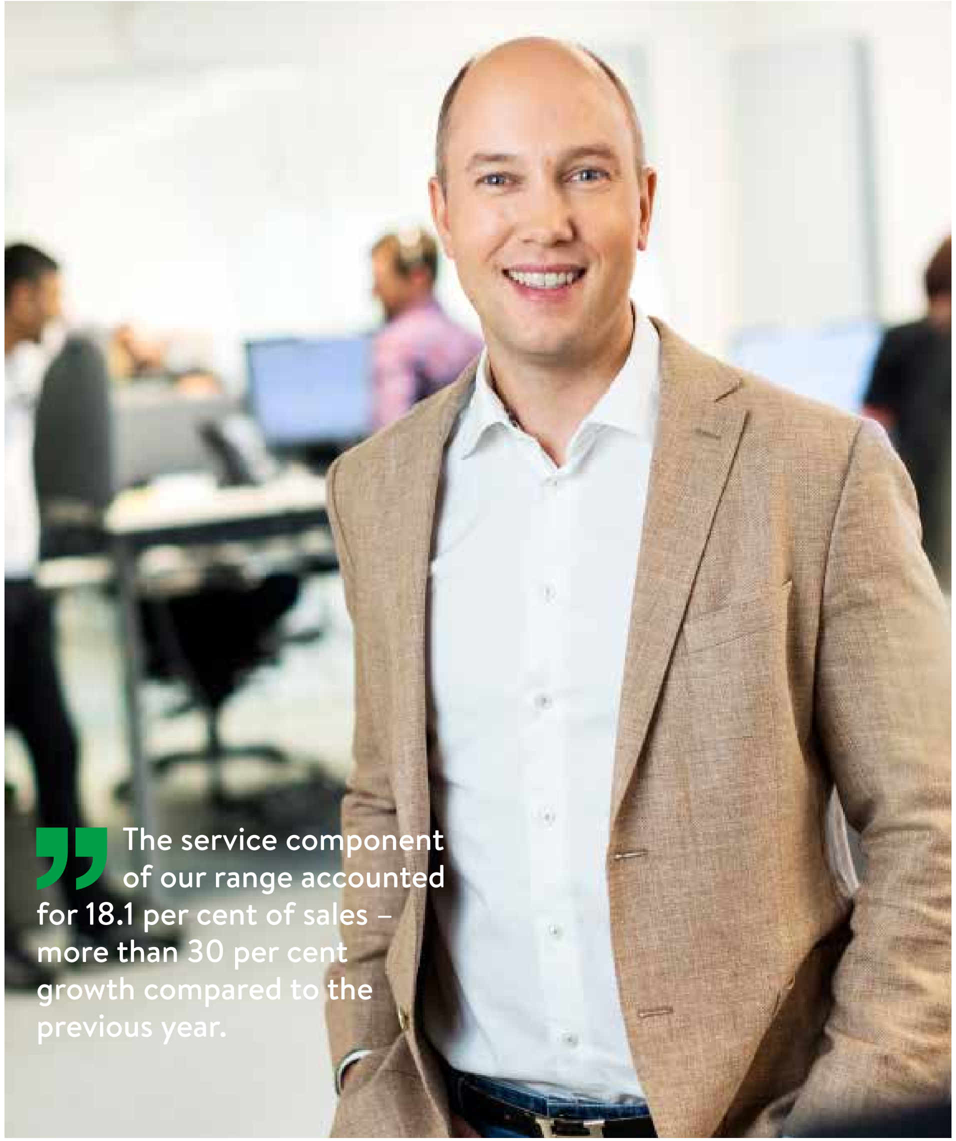
MARKET WITH GREAT POTENTIAL
The addressable telecare market in Europe is expected to grow by 80 per cent by 2024. The proportion of older people will increase sharply over the next few decades; in Europe we expect to have 50 million more seniors than today by 2050.

Decade of Doro and of technology enabled care

2019 was a good year for Doro. We are consolidating our strong positions in the telecare and mobile phone markets for seniors. We continue to grow and drive the digitalisation of care for the elderly together with municipalities and regions, and at the same time we can see that the digitalisation of care for the elderly gives us new opportunities. Overall, we are showing good profit trends. Now that Europe has a great need to reshape its care for the elderly, we have both expertise and market awareness to be the leading technology enabled care company in Europe.

In 2019, Doro continued to grow its service-based business through both organic growth and our strategic acquisition of Centra Pulse and Connect, one of the three largest alarm receiving centres in the United Kingdom, which manages 106,000 connected social alarms. Doro is now the market leader in telecare in three markets: Sweden, Norway and Europe's largest market the United Kingdom. In 2019, the service component of our range accounted for 18.1 per cent of sales, with more than 30 per cent growth compared to the previous year.

In 2019, Doro continued to gain market share in the mobile phone segment for seniors. In the category of products, we launched five new phones – a new smartphone, the flagship Doro 8080, and four new feature phones. We have received



> The service component of our range accounted for 18.1 per cent of sales – more than 30 per cent growth compared to the previous year.

positive feedback from our customers, both at the retail stage and from operators, on our new products.

In all, the group increased its net sales in 2019 by 8.2 per cent. Operating profit adjusted for one-off costs amounted to SEK 131.4 million, which is an improvement over the previous year. This corresponds to an operating margin of 6.4 per cent. Including one-off costs, operating profit amounted to SEK 112.1 m with an operating margin of 5.4 per cent. Increased logistics costs and currency effects have had a negative effect on margins during the year. In services, we see that newly-acquired Centra has a slightly lower profitability and that strong growth has driven increased costs to cope with the implementation and alarm reception of the new connections, which also affected profitability. During the year we have started work on reviewing working methods in the alarm centres, in order to create a more efficient organisation in the long term and obtain synergies from our acquisitions. We are now reviewing working methods and creating a more efficient organisation.

Doro has in recent years been working to increase the range of services in its offering to customers. This has been done successfully, while our ambition for the growth rate of the service business is high.

THE LEADING PROVIDER OF TECHNOLOGY ENABLED CARE FOR SENIORS

An ageing population and an increasing incidence of chronic diseases are two of the biggest challenges that Europe faces this century. The addressable European technology enabled care market is expected to grow by around 80 per cent over the next five years, from SEK 24 billion in 2018 to SEK 44 billion in 2024. This provides unique opportunities for Doro, which, with its market position, is equipped to take a leading role in this development. Development is driven forward by society's challenges in caring for an ageing population in combination with new technology. To be the leading technology enabled care company, we will further develop the Care business while strengthening our market leadership in mobile phones for seniors and maintaining profitability. We shall do this by:

- widening the scope of the technology enabled care services we offer today to include the next generation of digitalised telecare solutions with proactive and preventive operations that include various types of activity supervision, medication and mobile solutions
- widening the scope of our overall offering to not only target seniors living at home but also carers and seniors in residential care homes
- establishing a new, flexible and modular platform for software and systems with a common interface for all our services
- working actively on various acquisition opportunities that broaden our market and strengthen our offering
- enhancing our leading position in mobile phones for seniors and using the profits to drive our other growth

» Read more about Doro's markets on page 8 and Doro's strategy on page 11.

> **Doro's employees in all our different markets have reliably continued to deliver what we are best at – security and independence for seniors – warm thanks to all of you.**

VALUE-CREATING STRATEGY

The Doro group is ready to take the next step in a growing market for technology enabled care. We are building a strong organisation and culture that enhances innovative thinking and a commitment to making life better for our elderly.

As a market leader and expert in seniors, Doro wishes to take an active role in society. During the year we have decided to perform the group's sustainability work through two different focus areas: caring for resources and caring for people. In 2020, we will continue to develop sustainability efforts to develop new long-term goals and indicators that can help us measure our progress in each area.

Our strategy has well-defined plans for all parts from development and implementation to sales and industry leadership. The focus for 2020 is to ensure delivery reliability and continued leadership in Doro's telecare offering and mobile phones. We also have several interesting and important projects in the pipeline – the establishment of Doro Service Platform, the common interface for Doro's service offering and preparations for further launches of next-generation telecare services.

Finally, I would like to thank customers, suppliers and shareholders for your confidence and good cooperation in 2019. Doro's employees in all our different markets have reliably continued to deliver what we are best at – security and independence for seniors – warm thanks to all of you. I would also like to welcome new colleagues from the newly-acquired units.

After the end of the year, we now see, that the consequences of the Covid-19 outbreak is affecting the group. In order to reduce the impact Doro will ensure that timely and firm measures are implemented. Doro's good performance in recent years have enabled a healthy financial position providing strength to manage through these turbulent times. Doro remains focused on ensuring the health and safety of our customers and employees around the world.

Malmö, March 2020

Carl-Johan Zetterberg Boudrie,
President and CEO

Technology enabled care – a growing market

We are living longer and we want to live actively and independently for longer. At the same time, society's costs increase when there are fewer to support more people. Technology enabled care is a strongly growing market that meets the needs for creating both the conditions for a safer and more independent life for seniors and more effective care where people can live independently in their own homes longer. Doro is well positioned to take a leading role when new digital technology is introduced and shapes tomorrow's welfare for seniors.

NEW TECHNOLOGY CHANGES AND SIMPLIFIES

New technology enabled care creates the conditions and opportunities to both increase seniors' independence and create greater efficiency among care providers. The generally increasing technological maturity of both users and carers and the ongoing digitalisation of telephone networks in Europe are expected to accelerate developments in the coming years. The market for technology enabled care can be divided into telecare and telehealth.

Telecare includes traditional social alarms and associated alarm centres. The demands for future telecare solutions will be technologically more advanced and more proactive rather than reactive. Next-generation telecare solutions also include mobile alarms that users can carry with them all the time.

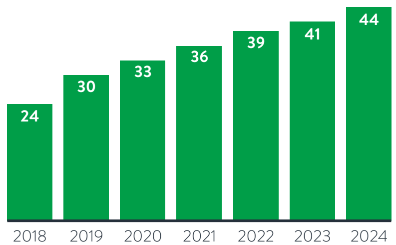
A rapidly growing part of the technology enabled care market is telehealth, which partially overlaps with telecare for senior users. In parallel with an ageing population, public health diseases worldwide are also on the increase, with increased costs and ill health as a consequence. Telehealth solutions include connected medical equipment and monitoring services used for remote management of patients with, for example, COPD, chronic heart failure, diabetes, hypertension, asthma, coronary artery disease or chronic kidney disease.

Doro is the market leader in telecare in Sweden, Norway and the United Kingdom with 310,000 connected seniors. Doros' seven alarm centres answer more than 25,000 alarms a day.

THE EUROPEAN MARKET IS EXPECTED TO GROW BY 80 PER CENT BY 2024

The addressable European technology enabled care market (present and next-generation telecare) is expected to grow by around 80 per cent over the next five years, from SEK 24 billion in 2018 to SEK 44 billion in 2024. The next generation of telecare is increasing in proportion and

The technology enabled care market is expected to grow to SEK 44 billion by 2024



By 2035, there is expected to be a global shortage of approximately
13 million
healthcare employees

Europe is expected to have
50 million more
seniors by 2050 than today

By 2030, chronic diseases represent
75%
of all diseases in the world

interest compared with traditional technologies. By 2024, there are expected to be 17.3 million users of technology enabled care in Europe.

DEMOGRAPHIC CHANGES DRIVE GROWTH

The proportion of older people will increase sharply over the next few decades, as an increasing proportion of the large post-war generation reaches retirement age. This in turn leads to those who are of working age having to bear an increasingly heavier burden to cover social expenditure on the ageing population. By 2040, it is estimated there will be around two tax-paying people per pensioner in Europe, compared with five tax-paying people per pensioner in 1980. A shortage of care professionals will further increase the need for effective solutions. For example, Swedish municipalities' costs for care for the elderly are expected to increase by 80 per cent in 30 years despite an increased focus on care at home. Time- and cost-effective technical products and services are a necessity.

At the same time, seniors want to feel life force through the ability to live an active and independent life. The innovative will to find new solutions that make it possible to live at home longer is therefore of great importance for increasing the quality of life of an ageing population.

PRIVATE AND PUBLIC SECTOR CUSTOMERS

Although there are major national differences, the majority of technology enabled care is procured by public actors such as municipalities and regions. They in turn provide the technology after an aid test to seniors living at home or install technology for enhancing safety and efficiency in special accommodation.

As the burden on health and social care providers increases, there is a growing need for private actors in health and social care solutions, including those provided directly to the consumer. The development of society is moving towards a greater responsibility for the care of seniors by their families and friends. There is today a great need for relatives to make sure that seniors are doing well and feeling safe in their daily lives. At the same time, seniors often want to avoid seeking help from their relatives for fear of bothering them needlessly. This increases the demand for services that enable the senior to be safe without being perceived as intrusive.

WHAT IS TECHNOLOGY ENABLED CARE?

Technology enabled care is digital technology that allows a person who has or is at risk of having a disability to maintain or increase their security, activity, participation and independence.

Examples of technology enabled care are digital social alarms, camera monitoring and sensors for reminders. Such technology can be used by the persons themselves, by relatives or staff. It can be provided as aid, prescribed to assist in daily life or purchased on the consumer market.

Technology enabled care can help in many ways. Research shows that, for example, people who have difficulty with spacial orientation can feel safer and more secure on a walk with a GPSalarm that has a tracking device. This enables relatives or staff to see where the person is geographically. Another argument in the development of technology enabled care is that it can make care activities more efficient, to meet the problems of more elderly people and too few employees.

Source: Kunskapsguiden.se (National Board of Health and Welfare, Swedish Medical Products Agency, Public Health Agency and others).

MARKET DEVELOPMENT

Major players alongside Doro in the traditional telecare market are Tunstall, Jontek and Tynetec, which have leading positions in a number of markets. The market for the next generation of telecare offerings, on the other hand, is fragmented. In addition to the leading providers of telecare equipment, there are specialised providers focused on, for example, activity monitoring, mobile telecommunications services and monitoring of medication. Similarly, the telehealth market is a fragmented market which is developing rapidly. New innovation companies and well-established solution providers from related industries are also active in the market.

A LEADING POSITION FOR MOBILE PHONES PROVIDES DEVELOPMENT OPPORTUNITIES

Doro is the global market leader in senior phones with about 2.7 million phones sold in 2019. In Europe's largest markets* the market share for senior mobile phones is almost half. The market is clearly consolidated and the main competitor in Europe is Emporia of Austria, which offers both feature phones and smartphones for seniors.

There is also increasing competition from traditional manufacturers of mobile phones with applications suitable for seniors.

While the general market for mobile phones continued to decline during the year and is expected to remain a challenge, Doro's leading position represents a valuable platform for taking additional market share. Doro's strong brand and product range on the phone side is a strong driving force for Doro's continued development in other parts of technology enabled care.

45%

Market share
European markets*
feature phones for seniors

* United Kingdom, France, Germany, Spain, Italy and Sweden.
Sources: Berg Insight Connected Care in Europe 2019, WHO, Swedish Association of Local Authorities and Regions (SKR) and Doro's own estimates.

Technology enabled care and Doro in the future

Helping older people by using technology is at the heart of our business. When we help seniors live an active and independent life, our society benefits. Doro's ambition is to be the market leader in technology enabled care in Europe. Technology enabled care with increased digitalisation is the answer when the need to provide a safe, active and meaningful everyday life for more seniors is to be combined with overcoming challenges such as increasing cost pressures and safe monitoring of chronic medical conditions.

SENIORS AT THE CENTRE

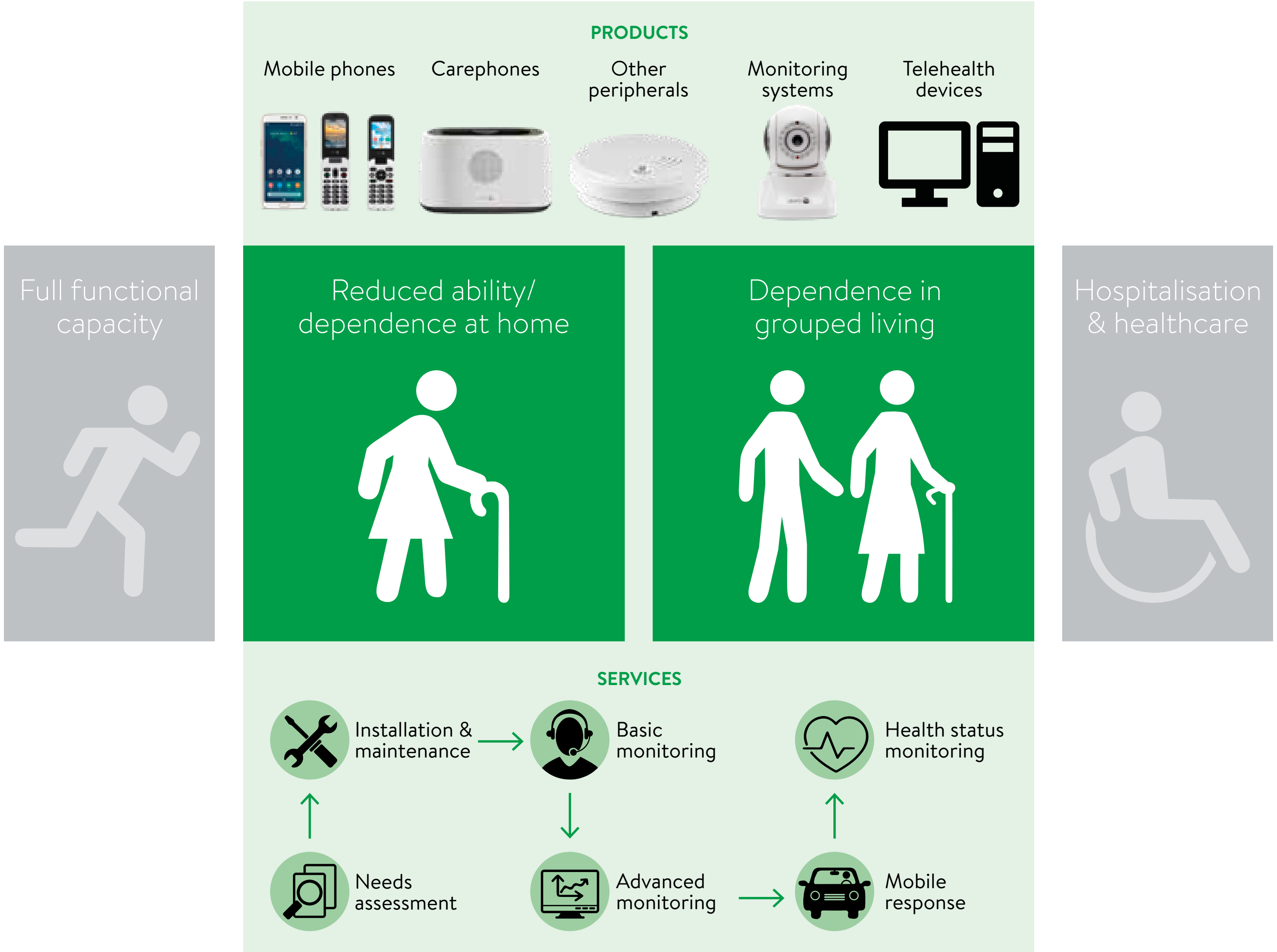
Doro develops and offers smart technology to help seniors live a better life. With a deep understanding of seniors' needs and desires in the later phases of life, Doro's services and products create increased security and quality of life and the opportunity for older people to live with the dignity and independence they deserve. Our ambition is that we enter their life when there is a need for a telephone that has been developed for the senior's needs and stay with them for the rest of the life. During that period, we offer technology-oriented or similar solutions according to their individual needs so as to ensure that they can live an active and independent life.

Doro's strategy is to become the leading provider of technology enabled care with a focus on seniors in the company's selected markets.

STRONGEST BRAND

Doro's brand stands for quality and innovation and in-depth knowledge of the seniors' needs. Doro has always been involved in how we can best help seniors to live an active life to the full. Seniors are often rather carelessly lumped together into one large group instead of seeing everyone as individuals with very different needs and expectations for life.

Doro facilitates seniors' independence with services and products in technology enabled care



DIGITALISED CARE CREATES SAFETY AND SECURITY

Increasing digitalisation of technology enabled care with new offerings enables new health and care models with more efficient provision of healthcare and an increased focus on preventive measures, which in the best case prevents injury and disease from occurring or worsening, while maintaining health, independence and mobility among the ageing population.

The next generation of telecare solutions is based on a digitalised platform and includes, in addition to today's security services, new mobile solutions, monitoring of activities and monitoring of medication. The European telehealth solutions market is still at an early stage. Fewer than one per cent of all patients with one or more chronic conditions relied on telehealth services at the end of 2018. Telehealth, however, is in strong growth with a host of new initiatives.

TECHNOLOGY IMPROVES SENIORS' LIVES
Everyone should be able to live a full and rich life, without compromise. We want to make ageing an independent, invigorating and full stage of life. To expand our position as a market leader in technology enabled care and strengthen our position as a market leader in senior phones, we are working to increasingly change from hardware to services and software.

A WIDER MARKET
Seniors who need home assistance are a growing group who want to live an active life and who, with increasing familiarity with technology, will seek new applications that make everyday life easier. This also includes offers that link the senior with relatives. Relatives are a group that is increasingly willing to subscribe to services for both their own and the senior's peace of mind.

Gradually, we will also develop offers for what is known as residential care homes where municipal or private healthcare providers provide care for more support-dependent seniors. One success factor is that these carers already know us and our strong brand, via social alarm assignments and connected seniors.

WIDENING THE SCOPE
Today's and the next generation of telecare overlap with parts of the growing telehealth sector. Technology enabled care that can monitor chronic diseases such as COPD, heart failure, diabetes, hypertension, asthma, coronary artery disease or kidney disease can make the care of seniors at home more effective. Doro evaluates services and products that could be relevant within a telehealth offering.

OUR OWN MARKET-LEADING PLATFORM
An important part of Doro's strategy is to establish a new, flexible and modular platform for software and systems. The platform shall collect all Doro's service offers and provide the hub and the common interface for customers and users. Doro has extensive experience in specifying and developing systems, products and service applications for the senior market. We will continue to do so. In order to further broaden our range and increase growth, we will also work with strategic partners.

CONTINUE TO DEVELOP THE SENIOR MOBILE MARKET
Doro will defend its position and continue to gain market share in the market for senior mobile phones. As competition intensifies and price pressures also increase in the senior segment, the requirements for Doro's products are increasing even more. Doro shall benefit from Doro's knowledge of seniors together with the properties that Doro's products are equipped with – Doro DNA – such as sound, interface and alarm button. The company will continue to develop competitive mobile phones, with cost effectiveness and profitability in focus.

A wide range of technology enabled care

Doro offers a wide range of services and products for both private customers and health care providers and carers. Our innovative solutions for remote monitoring, alarm reception and social alarms improve the safety, quality of life and independence of seniors and free resources for the care provider. Today we are the market leader in telecare in Sweden, Norway and the United Kingdom with 310,000 seniors and functionally impaired linked to our seven alarm centres where we handle 25,000 alarms per day. Doro's phones have a market-leading position globally with 2.7 million units sold in 27 countries in 2019. We have divided our wide range into Care and Phones.

No. 1

Doro is the market leader in social alarms in Sweden, Norway and the United Kingdom

Doro is the global market leader in mobile telephony for seniors

CARE

From social alarms to fall sensors, smoke detectors and secure communication with the alarm receiving centre: we offer a complete digital alarm chain. Both stationary and mobile social alarms can be connected to Doro's alarm receiving centres. Since we handle the entire alarm chain, our solutions are cost-effective and quality assured. We can also tailor solutions to meet the needs of both the installer and the individual.

SAFETY AT HOME

Doro's digital social alarm offers seniors safety at home in an easy way. The user is connected to the alarm receiving centre with one press of a button. Thanks to a wide range of accessories, the solution can be adapted to the individual's needs. Additional sensors can monitor everything from smoke and temperature to movement. This ensures that the individual's health and home environment can be evaluated proactively and given the right support.

OUTDOOR SAFETY

This is a flexible service that can be adapted to the individual's specific needs and wishes. The alarm can be connected onward to an alarm receiving centre, relative or health care professional. The service can act as a mobile social alarm, a tracking alarm or both in combination.

A mobile social alarm encourages and helps the senior to remain active and to feel safe to move freely outside the home. The solution includes an alarm that is directly connected to an alarm receiving center, GPS-based location and tracking. It is also possible to set up "security zones", where an alarm is sent if the user leaves the zone.

VIRTUAL CHECKS – DORO VISIT

Doro Visit is our virtual check-in service. Basically, it is a safe and less intrusive alternative to physical home visits. A study by the Swedish Handicap Institute shows that people who need nightly supervision often feel stressed by physical visits. Remote supervision with Doro Visit is carried out using a camera that is only activated during certain times or if needed. Monitoring is only done by qualified staff and no pictures or films are saved. Doro Visit is a discreet solution that gives the user increased safety and an undisturbed night's sleep. For the carer, it is a complete solution that is both environmentally friendly and time saving.

ALARM MONITORING
Doro's alarm centres are open 24 hours a day, all year round. Our team of alarm operators has training in and experience of the healthcare profession and between them speak more than 15 languages. They respond within 30 seconds and can quickly map out what happened and decide on appropriate action. Our alarm receiving centres are ISO 27001 certified in information security.

We also offer cloud-based alarm reception where Doro's alarm receiving centres can quickly take over and handle a municipality's alarm, for example when there is a shortage of staff.

PHONES

Our mobile phones are both smart and easy to use and you choose for yourself if you want many or few features. However, all are adapted to the needs and conditions of seniors – with extra clear sound, user friendliness, large buttons, strong contrast and an alarm button.

DORO FEATURE PHONES
Doro's classic mobile phones are logical and designed to be easy to use. Functions include sound tailored to the correct frequency to match how a senior's hearing changes over the years, a security button on the back of the phone and much more. The mobile phones make it easy to receive calls and reply to text messages. With our latest models, you can also take pictures and surf the 4G network.

DORO ELIZA
Doro Eliza is an innovative care hub that Doro is introducing in 2020. With its elegant design, it offers the best possible safety and reliability for users, alarm receiving centres and service providers. Specially developed to take advantage of both today's and tomorrow's opportunities in technology enabled care. The well thought out, modern design makes Doro Eliza easy to place and it blends well into the home environment.

DORO SMARTPHONES
Doro's smartphones enable the user to easily listen to music, make video calls and watch films on the phone. It is also easy to adapt the number of features on the phone and keep in touch with friends and relatives via calls and text. Doro's smart mobile phones have a sleek and user-friendly design, and in our newer models there is also the possibility for the user to use voice control for the phone with Google Assistant.

EVA - SIMPLE, FRIENDLY AND FOR ALL DORO'S USER INTERFACE
While Doro's smartphones offer as authentic an Android experience as possible, simplicity goes even further thanks to our proprietary, intuitive, action-based interface, Eva. It's like always having someone next to you who understands what is needed. Users never have to look for hard-to-find features. Eva simply gives them a number of clear choices and then does what the user wants based on their reply. She is also the perfect friend when the phone starts for the first time and guides the user through each step. Since she is designed by Doro, Eva makes the technology fun, accessible and easy for everyone, whether Android is a new experience or whether you have been using Android for a long time.

DORO 8080 – THE SMART PHONE WITH A UNIQUE DESIGN AND VOICE NAVIGATION
Doro 8080, which was launched in 2019, is the result of several years of development work, to ensure that the senior can perform everything expected of a first-class Android smartphone, with the added advantage that it is designed according to the senior's needs. Louder and clearer sound, easy-to-read screen, larger text, fingerprint reader, security button for increased security and an excellent, easy-to-use camera. Everything has been designed and fine-tuned to give the senior a better user experience on a stylish phone.

SECURITY SERVICE RESPONSE BY DORO
Response by Doro is a subscription security service that is designed to give seniors and their relatives extra safety in everyday life. With a simple press of the telephone's safety button, the user can quickly alert and get help. The alarm goes first to the user's relatives and then on to Doro's alarm centre. The safety button works with selected mobile phones from Doro.

Doro's sustainability work

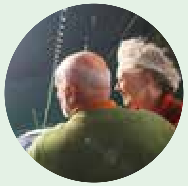
Doro's overall ambition for its sustainability work, related to our senior-focused operations, is to help create a good, independent life for our customers and end users. As a market leader and expert in seniors, Doro wishes to take an active role in society.

We strive to be a long-term and committed supplier to our customers, clients and partners and to contribute to the development of both older people's participation and care for the elderly in society. We do this by working on the basis of the right to a good life for everyone, customers and users as well as employees, and to always maintain high quality. During the year we have decided to perform the group's sustainability work through two different focus areas: caring for resources and caring for people. We have chosen these areas based on what company Doro is and what kind of business we conduct. In 2020, we will continue to develop sustainability efforts to develop new long-term goals and indicators that can help us measure our progress in each area.

DORO'S VALUES

WE CARE

WE ARE TRUSTWORTHY



WE ARE VISIONARY

FOCUS AREAS

Our focus areas show the issues directly related to our business and where we see that we can provide a net benefit in society.

CARING FOR PEOPLE | CARING FOR RESOURCES

A responsible business foundation is about our continuous sustainability work.

A RESPONSIBLE BUSINESS FOUNDATION

DORO'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Doro supports the 2030 Agenda and the UN's 17 global goals for sustainable development and we take selected goals into account in strategy and in our day-to-day operations. In our work to improve working conditions and to promote and protect human rights and the environment throughout the value chain, the greatest opportunity lies in contributing to the goals in the following areas.

Goal 8. Decent working conditions and economic growth
We strive to be a stable and responsible employer that offers good working conditions and development opportunities. Good working practices, the right to organise and human rights are central to Doro. Doro has collective agreements and is a member of the organisations Vårdföretagarna and Teknikföretagen in Sweden. We work actively on health and safety issues. We do not accept any form of child labour or forced labour. Our alarm centres are often the first step into the labour market for newly educated nurses. Through technical improvements and innovation, the company works for a more resource efficient elderly care where fewer can care for more.

Goal 10. Reduced inequality
Doro's mission is to create an inclusive society for seniors and people with disabilities. Our employees work for seniors' right to a better quality of life regardless of their individual circumstances. Our technology enabled care solutions in telecare and mobile phones enable a safer and more independent life and a better quality of life for seniors and people with disabilities. Our services and products provide the opportunity for greater inclusion in society, both socially and financially.

Goal 12. Sustainable consumption and production
We work to choose materials in our products that are environmentally friendly throughout the life cycle, from raw material to recycling. We work to reduce the environmental impact of our transport and journeys. We are working towards a more circular use of the products with a greater share of reuse and recycling.

Caring for people

Every day, Doro helps to improve the lives of users of our security solutions in technology enabled care and end users of our single phones for seniors and disabled people. Everything Doro does is about the people who use our services and products being able to live a good life, based on their own circumstances, wishes and needs. The focus area caring for people includes issues of security and improved quality of life, innovation and social dialogue, quality and information security.

PRODUCTS AND SERVICES FOR INCREASED SECURITY AND QUALITY OF LIFE

Doro's most important contribution to sustainable social development is the company's products and services, which provide an opportunity for seniors and people with disabilities to have a more independent, safer and better life with the aid of technology. In 2019, Doro touched and supported 3 million seniors.

Doro has 310,000 connected users who rely every day on Doro's employees, services and products. Our alarm receiving centres in Sweden, Norway and the United Kingdom are open 24/7. They receive more than 25,000 alarms every day.

Every year, Doro sells over 2.7 million mobile phones to seniors and disabled people that facilitate their ability to continue living an active and safe life. We know that our services, our products, our skills and our employees make a difference in promoting security and well-being.

QUALITY MANAGEMENT

We perform careful and systematic quality controls and follow up and have close dialogues with our carefully selected production partners to ensure that quality is built into every stage of product development. For all deliveries from the product suppliers, a quality check is performed by one of our quality controllers. In 2019, 2,949 such quality checks were carried out.

Our product development is certified according to ISO-9001 and has clear processes and structures for how to develop products that meet customer requirements.

INFORMATION SECURITY AND PROTECTION OF USER AND CUSTOMER PRIVACY

Doro continuously works on and invests in various measures to ensure the best possible information security in its services, products and IT systems, to be a reliable business partner and to protect the privacy of customers and users.

As more and more devices become connected to each other and collect and transmit data over the internet, information security becomes an increasingly important issue. It creates many benefits as well as business opportunities, but also involves greater security risks and places greater demands on maintaining and protecting privacy. It is of the utmost importance to ensure that Doro's products and systems are not vulnerable. Doro works proactively and systematically on information security and has a focused strategy and a structured approach.

Doro's alarm receiving centres and systems in Sweden and Norway are certified in accordance with the information security standard ISO-27001, which means that we place high demands on our systematic management of information security. The certification also regulates the protection, processing and secure storage of personal data related to the alarm centres. During the year, Doro Care's operations in Eastbourne in the United Kingdom were also certified. In 2020, the new UK acquisition Centra Pulse and Connect's operations are planned to be certified.

In 2019, we have not had any information security incidents that have prompted a need to be reported to the relevant data protection authorities.

In 2019, Doro established a dedicated IT and information security organisation with overall responsibility for these issues.

All employees must comply with Doro's information security policy. During 2019, online training in information security has been developed to continuously keep employees up to date on information security. The training has been rolled out in Sweden where 98 per cent of the employees have so far taken it. During 2020, the training will continue to be rolled out in all other markets with the goal that all employees will be continuously updated and undergo training annually.

We also have a responsibility for the people who work for us and in our value chain.

Read more about how we take responsibility for them on page 20.

Caring for resources

Most of Doro's environmental impact is indirect and relates to manufacturing, transport and energy consumption when the products and services are used. This means that Doro strives for improvements throughout the value chain and throughout the life cycle of products. For us, being sparing with resources also means how we view the use of society's resources, where we see that we can be involved and influence with our products for technology enabled care. The focus area caring for resources includes questions about society's resources, resource use in products and services and transport.

INNOVATION AND SOCIAL DIALOGUE IN TECHNOLOGY ENABLED CARE

Innovative product development is a great opportunity for ensuring the care of the elderly in the future. New technologies and digital services have great potential to relieve both care staff and relatives and enable seniors to live their lives to the fullest. Innovation for better technology enabled care for the elderly is about technology, but also about people, skills and methods. 6.9 per cent of Doro's total sales were invested in the development of products and services in 2019.

Doro believes in collaboration and that together we can find the best solutions to the common challenges facing our society. Doro wishes to help ensure that the requirements set are based on the business and person's own circumstances, and at the same time promote positive development in the area.

We wish to take an active role in contributing new knowledge and new perspectives that shape and develop the future of care for the elderly. Examples of the issues we pursue are an age-friendly society, everyone's right to participate in the digital society and elderly issues. We wish to nuance and complement the discussion and focus on the individual's needs. During the year we released a report – Tech as a solution to the silver tsunami. The report shows how smart technology for seniors supports both individuals and society.

REDISTRIBUTION OF SOCIETY'S RESOURCES

Through the development of new technology enabled care and methods, Doro contributes to improved efficiency and quality development based on customers and end users. At the same time, this provides an opportunity for the redistribution of society's resources.

According to the Swedish Association of Local Authorities and Regions (SKR), for example, the introduction of digital night monitoring to five per cent of home care users can allow for the redistribution/saving of approximately 2-5 per cent of the budget for home care in the municipalities*.

The services also have a positive environmental effect. Digital night monitoring, for example, reduces travel by home care staff.

RESOURCE USAGE FOR PRODUCTS AND SERVICES

We need to accept our responsibility for conserving nature's resources. Although we have a long way to go and still do not have all the answers on how to get there, we believe in and are working for the circular use of resources.

We have a responsibility to ensure that we develop sustainable products and that we help our customers to keep them for a long time.

A majority of Doro's phones have replaceable batteries, which prolongs product life, although the company's smartphones follow the market trend of glued batteries.

In the care activities, the products are developed as far as possible to facilitate remediation, repair, updating and reuse. This includes for example replaceable armbands on security alarms or design developments that allow disinfection and clean-up in a simple way.

Doro works to ensure that consumers send mobile phones for recycling at the end of their service life. Among other things, the company informs on its website about how recycling can be done in the best way.

The energy consumption of Doro's products accounts for part of their total environmental impact. Both from an environmental perspective and to minimise the risk of and need for battery replacement by the user, care products are developed for minimal energy consumption and are now

*Based on https://hemtjanst.digitaliseringssnurran.se/, a tool developed by SKR.

at relatively low levels. Doro's newly developed mobile phones' energy consumption is increasing slightly as a result of greater functionality and larger screens.

TRANSPORT

Doro strives to keep transport costs and carbon dioxide emissions caused by product transport low. Customers' needs must be met, while meeting environmental goals. Doro continuously reviews and works to streamline its logistics chain, both in terms of transport from suppliers to the company's distribution warehouse in the Czech Republic and transport from the distribution warehouse to distributors and customers. Doro uses sea and road transport rather than air freight as far as possible. Transport from distribution warehouse to customer is by road.

In 2019, Doro had the goal of flying a maximum of 40 per cent of freight flows, but 64 per cent of the freight was by air. Doro aims to reduce carbon dioxide emissions from transport by 20 per cent annually. Overall, CO_2 emissions from transport have increased by 50 per cent in 2019 compared to 2018. Doro's major launches during the year and delays in their production, combined with a change in inventory to reduced volumes, have put pressure on the logistics chain. The company has been forced to have a significantly higher share of air freight than expected, which has meant that carbon dioxide emissions have remained higher than planned. Doro is working hard to address the problems going forward. The 2020 target remains to limit flights to 40 per cent of freight flows.

In 2020, Doro will change its logistics chain. The company is increasing the share of pure sea freight and a new combined transport chain is being introduced with a combination of sea and air freight to reduce environmental impact while maintaining expected lead times. The company is also increasing the proportion of rail freight from China to Europe.

Doro's manufacturing takes place primarily in Asia, while sales are mainly in Europe. By expanding our unit for kitting (packaging for final consumer) at the distribution warehouse in the Czech Republic in 2019, we have optimised transport. The products are packaged in large volumes in Asia and it is only in the Czech Republic that they are divided up and packaged into individual packaging for the final consumer.

We also work on the direct environmental impact from our own operations

Read more on page 22.

A responsible business foundation

GOVERNANCE AND ORGANISATION

The governance of Doro's sustainability work is decentralised in the organisation but our code of conduct, policies and our values are central. Doro's goal is to work on sustainability in an integrated way in both our strategic and our operational work. Doro's group management has ultimate responsibility for the company's sustainability work.

We work closely with our key stakeholders, such as customers, suppliers, authorities and municipalities. A continuous and open dialogue in different channels provides information about requirements and expectations: what is essential and what we can and should contribute to. During the year, we started more structured work for stakeholder dialogue with the aim of finding out the main stakeholders' priorities and obtaining a basis for decisions on new focus areas and long-term goals for sustainability work.

The results of the stakeholder dialogue have been analysed and weighed up with the issues that are most important to Doro and where Doro's sustainability impact is greatest; this is the focus for the company's sustainability work and this forms the basis of the company's sustainability report. The starting point for highlighting important issues is sustainability accounting standards such as the Global Reporting Initiative, the UN Global Compact, external trends and challenges, Doro's strategy, risks and goals, and that Doro has taken into account the company's contribution to the UN sustainable development goals. The materiality analysis has been carried out by Doro's management group. The materiality analysis also provided a basis for Doro's new division of its sustainability work into two focus areas – caring for people and caring for resources.

Doro continuously analyses and evaluates sustainability risks. For more information on the risks and risk management, see the section on risks on pages 28-29.

EMPLOYEES

Our employees' competences, experience and commitment are prerequisites for Doro's abilities and success. Doro works according to its work environment policy and shall be an attractive workplace and have a work environment where all employees have good opportunities to develop. Doro offers good career opportunities, terms of employment that are competitive in the respective local markets, as well as interesting job opportunities.

The total number of employees was 988 (685) at year-end, of which 62 per cent were women and 38 per cent were men.

All employees in Sweden and Norway, 33 per cent of the total number of employees are covered by collective agreements. All employees have the right to join trade unions, in accordance with local law and what applies in each country.

Engaging corporate culture

Doro's corporate culture, with its strong value base, forms the basis for all operations and is constantly present in day-to-day work as well as in management. Work on our values has been carried out in 2019 and updated key values for Doro have been developed and launched: we care, we are trustworthy, we are visionary. In addition to our working with the values on a daily basis, they are a natural part of the employee interviews in the form of goal formulations and development areas and also form the basis for leadership development.

Our managers are responsible for ensuring well-being and a good balance between work and leisure through an active dialogue. We try to prevent ill health at the earliest possible stage. Based on local conditions, different types of wellness are offered: in Sweden, for example, all employees are offered a wellness allowance.

Since 2017, Doro has measured employee satisfaction through eNPS and the goal is an eNPS value of 20 by 2023. In 2019, eNPS increased by 2 units compared to 2018 to 6. To achieve this goal, the company invests in continuous development of its employees. The company also sees a need to ensure effective and clear processes and tools for all employees.

Doro also measures the leadership index and the goal is 79 by 2023. In 2019, the leadership index was 77. In 2019, a leadership programme was set up with the goal of creating even stronger managers with a common terminology, so that they can support each other to a greater extent in transformative leadership.

Dialogue that drives work forward

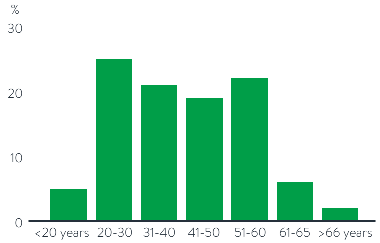
To ensure that we create the best conditions for an attractive and stimulating workplace and gain insight into and knowledge of employees' views on leadership and other issues related to the workplace, employee surveys are regularly conducted. In 2019, we had a response rate of 81 per cent to our employee survey and showed a largely stable result. The results are broken down at local and group level, and become the starting point for the concrete work on the improvement areas that have been identified. All employees are offered annual development interviews and individual development plans. For 2020, work on employee surveys will be developed and instead of having one survey, surveys will be spread out during the year to get a better picture of the development.

Non-discrimination, gender equality and diversity

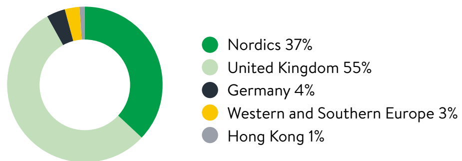
Our belief is that employees of different genders, ages, backgrounds and experience contribute to innovative thinking and solutions. Doro has zero tolerance of discrimination and harassment. The company works actively for increased diversity and gender equality and to combat discrimination. As an example, at Doro's alarm centre in Malmö 15 different languages are spoken, reflecting the diversity of the employees' backgrounds.

Doro has carried out salary surveys in Sweden and has identified a few areas that are being adjusted according to plan.

Age distribution

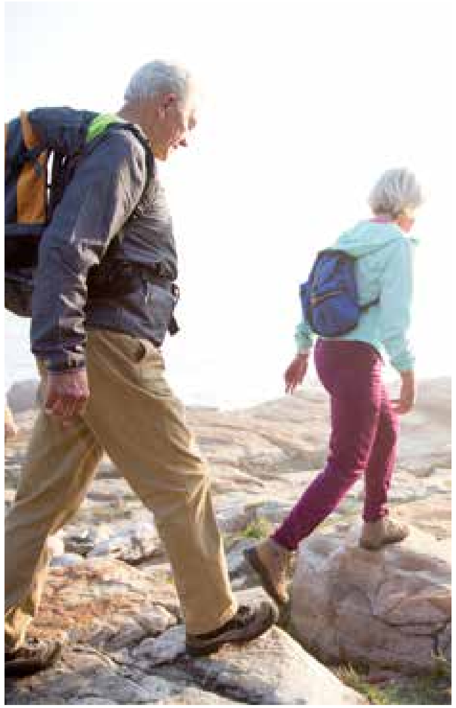


Geographical distribution, employees



RESPONSIBLE SUPPLY CHAIN

Doro has long-term partnerships with its suppliers. Suppliers are regularly audited to ensure that they comply with Doro's requirements according to the code of conduct and that they take social and environmental responsibility in their activities and fight corruption. Doro has agreements and partnerships with about a dozen manufacturing partners in China. The company also buys products from suppliers in Europe, which in turn have production in China.



Code of Conduct

Suppliers are expected to sign and comply with Doro's supplier code of conduct, which is based on Doro's code of conduct and the UN Global Compact's ten principles on human rights, labour law, the environment and anti-corruption. This includes, among other things, requirements that there should be no form of child or forced labour, ensuring good working conditions and having control over environmental impact. Requirements also include good business ethics and responsibility in the purchase of minerals, in order to avoid conflict minerals. Although Doro is a relatively small player in the market, with limited ability to influence suppliers' working methods, the introduction has meant that most of the suppliers that Doro works with have improved their sustainability activities.

Evaluation and follow-up of suppliers

Doro's aim is to perform third-party investigations of our existing suppliers that are not SA 8000 certified at least every three years, depending on whether a supplier is considered high or low risk. In 2019, 98 per cent of the company's suppliers based on turnover were audited by third-party companies or SA 8000 certified.

The company visits the suppliers continuously to ensure on-site compliance with the code of conduct. Doro has its own local quality inspectors who also play an important role in maintaining the code. They check all deliveries before transport from each factory. Because they are on site, they can become aware of any abnormal working conditions. If a supplier violates the code or any other requirement, Doro makes it clear that this is not acceptable. For continued cooperation, we demand that the supplier develops an action plan for improvement. Should the supplier still fail to meet the requirements, Doro has the right to suspend the cooperation. With each visit, Doro gives feedback to suppliers through the "Supplier Score Card" evaluation tool, in which the code of conduct is one of several parameters for assessment and follow-up.

Focus and investigations in 2019

Excessive overtime is a common problem among suppliers in Asia. Doro's goal is to protect the health and safety of employees and the company is working to reduce overtime in production over the longer term. When examining several Chinese suppliers, it was revealed that some employees worked more overtime than Chinese law allows (i.e. 36 hours of overtime per month). Doro has demanded an action plan from those suppliers where violations of the law have been found. We also check that correct wages have been paid for all overtime.

No supplier partnerships have been cancelled during the year due to suppliers not living up to Doro's requirements.

CONFLICT MINERALS

Conflict minerals, i.e. gold, tantalum, tin and tungsten, which come from conflict zones around the world and where sales help finance armed conflicts, are a very important issue socially and ethically. The mining causes conflicts, trade in minerals can finance armed conflicts and child and forced labour may occur. Doro works to ensure that the company's products do not contain any conflict minerals. Doro neither accepts nor tolerates any purchase of minerals that finance conflicts, or which involve any kind of violation of human rights or forced labour.

Doro supports the tools and systems developed by the Responsible Minerals Initiative (RMI). The RMI has developed a certification programme, the Responsible Minerals Assurance Process (RMAP), which enables smelting plants to be certified as conflict-free. This means that companies can buy metals from smelting plants and refineries that are certified as conflict-free. Through the Doro code of conduct, all Doro's suppliers undertake to use only certified conflict-free smelting plants and refineries.

CODE OF CONDUCT, BUSINESS ETHICS AND CORRUPTION
Doro has absolute zero tolerance to corruption and behaviour that is contrary to applicable competition law rules. The starting point for the work is in the company's code of conduct. All employees and the board shall comply with the code of conduct and act accordingly. All new employees receive information about the code of conduct and it is available on the company's intranet and website. According to the company's code of conduct, employees of the group must always avoid risks of bribery and other types of inappropriate influence in their external relationships. There must also be no price collusion, cartelisation or abuse of the company's market position.

Doro continuously monitors abuses reported via a whistleblower function that is provided through Doro's website. In 2019, no serious abuses were reported either via the whistleblower function or via any other channel.

During the year, Doro started online training as part of the work of training all employees in the code of conduct.

ENVIRONMENTAL WORK IN OUR OWN OPERATIONS
In its own activities, Doro endeavours to utilise resources efficiently at all stages. Doro works on the basis of an environmental policy that is followed up annually by group management.

Care operations in Sweden and Norway are environmentally certified according to ISO-14001. In 2019, our businesses acquired in 2018 in Eastbourne and Dereham in the United Kingdom were also environmentally certified. The focus for 2020 is to environmentally certify the new United Kingdom acquisition Centra Pulse and Connect.

Alarm and service travel
Doro's security alarm operations differ in the different countries. In Norway and the UK, the offer also includes visits to the user, which is to a large extent done by car. Direct climate emissions (scope 1) for the company's car journeys were approximately 400 tonnes of carbon dioxide equivalents in 2019. The company has no other transport of its own. Depending on the local conditions, Doro works in different ways to minimise the climate impact caused by car travel.

During the year, the business in Oslo was moved to new premises with charging facilities for electric cars and Doro will change the car fleet in Oslo to electric cars. The company will also implement training in eco driving.

ENERGY CONSUMPTION IN THE BUSINESS
Doro's own energy consumption in offices and alarm centres amounted to 1,100 MWh in 2019*. Doro's purchased energy gave rise to indirect greenhouse gas emissions (scope 2) of 200 tonnes of carbon dioxide equivalents. Doro works to reduce energy consumption in its own operations, among other things by continuously updating systems and hardware.

* Where Doro does not have its own electricity and heating contracts in offices, the calculation is based on estimates. The new acquisition Centra Pulse and Connect's energy consumption is not included.

AUDITOR'S STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT
To the annual general meeting of Doro AB (publ), corp. reg. no. 556161-9429

Assignment and distribution of responsibility
It is the board that is responsible for the sustainability report for the year 2019 on pages 16-22 and for ensuring that it is prepared in accordance with the Annual Reports Act.

The direction and scope of the investigation
Our investigation has been performed according to FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our investigation of the sustainability report has a different approach from and a much smaller scope than an audit in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this investigation provides us with a sufficient basis for our statement.

Statement
A sustainability report has been prepared.

Malmö, March 24, 2020
PricewaterhouseCoopers AB

Magnus Willfors
Authorised Public Accountant
Chief auditor

Johan Rönnbäck
Authorised Public Accountant

Directors' Report 2019

The board of directors and the CEO of Doro AB (publ), with postal address: Jörgen Kocksgatan 1B, 211 20 Malmö and corporate identity number 556161-9429 hereby present the annual report for the group and the parent company for the year 2019. Comparisons in brackets refer to the previous year.

INFORMATION

Doro AB ("Doro", "the company" or the "group") is a technology company focused on seniors. We develop services and products for seniors to live independent, fulfilling lives. Our wide portfolio of security and care solutions digitally connect generations and provide solutions for independent living, both inside and outside the home.

THE MARKET

Doro is the market leader in telecare in three markets: Sweden, Norway and Europe's largest market the United Kingdom. The addressable European technology enabled care market (present and next-generation telecare) is expected to grow by around 80 per cent over the next five years, from SEK 24 billion in 2018 to SEK 44 billion in 2024.

The group is also the global market leader in senior phones with about 2.7 million phones sold in 2019 in some 27 countries. In the EU's largest markets, Doro has close to a 50 per cent market share. The overall market for mobile phones is expected to remain challenging. Doro's leading position, however, provides a valuable platform for gaining additional market share.

THE SHARE

Information about the Doro share can be found on pages 26-27.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR:

- In May, Doro's board appointed Carl-Johan Zetterberg Boudrie as President and CEO with immediate effect. He thus replaced Robert Puskaric, who previously held this position.
- Doro acquired Centra Pulse and Connect in September 2019 (see Note 18).
- The launch of five new phones in September: a new smartphone, the flagship Doro 8080, and four new feature phones.

NET SALES AND PROFIT

Doro's income amounted to SEK 2,063.0 million (1,906.4) during the year, an increase of 8.2 per cent compared to 2018. Growth in the Services category was 31.2 per cent with positive development in both Sweden and Norway, as well as the acquisition of the British company Centra. Income for the Products category increased by 4.2 per cent.

EBIT amounted to SEK 112.1 million (122.3), giving an EBIT margin of 5.4 per cent (6.4). Profit for the year amounted to SEK 77.9 million (91.5). Net financial items amounted to SEK -4.8 million (0.7). Profit per share amounted to SEK 3.28 (3.86).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow from current activities amounted to SEK 242.7 million (221.8). The group's net cash flow, which during the year amounted to SEK 64.2 million (75.2) was affected by company acquisition of SEK -18.7 million (-110.7) and investments of SEK -123.9 million (-99.3). Investments are primarily attributable to product development. At year end, Doro had an interest-bearing liability of SEK 330.4 million (243.2) and cash and cash equivalents of SEK 198.5 million (134.2). The equity/assets ratio decreased to 46.6 per cent (46.7) at the end of the period.

THE BOARD

The board consists of the chair Lennart Jacobsen, deputy chair Henri Österlund, Towa Jexmark, Niklas Savander, Josephine Salenstedt and Mona Sahlberg (employee representative). CEO Carl-Johan Zetterberg Boudrie also participates in board meetings.

REMUNERATION TO SENIOR EXECUTIVES

These guidelines include the company's CEO, the members of the group's senior management team and remuneration to board members in addition to board fees (e.g. consultancy fees). The guidelines shall apply to remuneration agreed upon, as well as changes made to already agreed remuneration, after the guidelines have been adopted by the 2020 annual general meeting. The guidelines do not cover remuneration decided on by the annual general meeting. A successful implementation of the company's business strategy and the exploitation of the company's long-term interests, including its sustainability, require that the company can recruit and retain qualified employees. This requires that the company is able to offer competitive remuneration. These guidelines allow senior executives to be offered a competitive total remuneration. A long-term share-based incentive program has been established in the company. It has been decided by the annual general meeting and is therefore not covered by the guidelines.

The board's proposal for guidelines for remuneration to senior executives in 2020 mainly means that salaries and other remuneration conditions for the management shall be at market levels. In addition to a fixed base salary, management may also receive variable remuneration and bonuses, which shall have a predetermined ceiling and be based on the results achieved in relation to established performance targets (and in some cases other key figures). Maximum cost including social charges for variable remuneration may not exceed the fixed remuneration to the company's senior executives. The total cost of fixed and variable remuneration shall be determined annually at an amount that includes all the company's remuneration costs. At the end of the measurement period for compliance with variable cash remuneration criteria, the extent to which the criteria have been met shall be assessed. The remuneration committee is responsible for the assessment of remuneration to the CEO. In the case of variable cash remuneration to other executives, the CEO is responsible for the assessment. In addition, and independently of these guidelines, the annual general meeting may decide on, for example, share and share price-related remuneration. The company's senior executives are able to allocate parts of their fixed and variable remuneration for other benefits, such as pension benefits. The management's pension plans shall mainly be defined contribution. In the event of termination of employment by the company, senior executives may be entitled to severance pay, which in such cases shall have a predetermined ceiling. Upon termination of employment by the employee, no severance pay shall be given. The board has established a remuneration committee. The committee's tasks include preparing the board's decision on proposed guidelines for remuneration to senior executives. The board shall draw up proposals for new guidelines at least every four years and submit the proposal for decision by the annual general meeting. The guidelines shall apply until new guidelines are adopted by the general meeting. The remuneration committee shall also follow and evaluate programmes for variable remuneration for the management team, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels within the company. The board's discussion of and decisions on remuneration-related matters do not include the CEO or other members of the management team, to the extent that they are affected by the issues. The board may decide to suspend the guidelines in whole or in part if, in an individual case, there are special reasons for doing so and a deviation is necessary to satisfy the long-term interests of the company, including its sustainability, or to ensure the company's financial viability. As

stated above, it is part of the remuneration committee's task to prepare the board's decisions on remuneration issues, which includes decisions on deviations from the guidelines.

PRODUCT DEVELOPMENT AND DEVELOPMENT EXPENSES

Doro performs product development and design projects together with various external partners. In addition to the company's own development costs, there are significant development costs at the manufacturing partners. Doro employs design companies from different countries and the costs are either fixed or variable. Doro sometimes also buys technology from various external companies.

Doro also invests in various mould tools and pattern protection to protect the products' designs. These costs are capitalised until the product is ready for delivery when depreciation commences.

For 2019, the group's costs for development work amounted to SEK 50.6 million (54.1).

INVESTMENTS

Investments are made in design, mould tools, certification processes, control equipment, inventory, leased alarm units, computers and software systems. Investments amounted to SEK 123.9 million (99.3).

LEGAL PROCESSES

Doro has not, during the year, been involved in any disputes that have affected or will affect the company's position in any significant way.

QUALITY

Doro's product development is certified according to ISO-9001 and has clear processes and structures for how to develop products that meet customer requirements. Regular, quarterly follow-up of suppliers' quality is done using the "Doro score card". The follow-up focuses on suppliers' manufacturing processes and sets escalation points for reported quality deficiencies and response to these. The product quality of individual shipments is checked.

REGULATIONS

Doro's quality manager continuously checks that the company's products are at least equivalent to the applicable laws and government requirements on the markets in question, technical specifications and environmental requirements.

RISKS

Doro is exposed to a variety of risks that the company continuously monitors, analyses and acts upon to mitigate potential risks. The most significant risks are described on pages 28-29 and in note 23.

SUSTAINABILITY

Doro's sustainability report, in accordance with the requirements of the Annual Reports Act, may be found on pages 16-22. Sustainability risks are reported on page 29.

DIVIDEND AND FINANCIAL GOALS

The company has a long-term operating margin goal of at least 8 per cent and an annual growth target of 10 per cent (including acquisitions) for the coming years. Income from services shall represent at least 30 per cent of total income and net liabilities as a proportion of EBITDA shall not exceed 2.5 times. The company's target is a dividend of one third of net profit after tax (taking into account capital structure and share repurchase).

The board has decided not to propose any dividend for 2019.

PARENT COMPANY

In addition to group management and financial functions, the parent company Doro AB also has a number of support functions for the rest of the group. Marketing, product development, purchasing and logistics are coordinated by the parent company. Doro AB had sales of SEK 1,566.0 million (1,483.9). Profit after financial items was SEK 56.6 million (76.2). Doro AB is responsible for the financing of subsidiary companies. The parent company's net liabilities per 31/12/2019 were SEK 146.0 million (183.0). Equity amounted to SEK 510.9 million (471,8).

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 24 April 2020 at Hotel Story, Tyfongatan 1, Malmö.

PROPOSED ALLOCATION OF THE COMPANY'S PROFIT

The following funds in the parent company are at the disposal of the annual general meeting:

Share premium reserve	200,869,040.50
Reserve for fair value	-1,987,181.00
Profit brought forward	73,950,031.93
Profit for the year	40,947,024.64
	313,778,916.07

The board of directors proposes that funds at the disposal of the annual general meeting are carried forward.

EVENTS AFTER THE END OF THE YEAR

- Linda Nilsson was appointed CFO and member of the group management team at the beginning of January.
- During the first quarter of 2020 the pandemic Covid-19 broke out and the intensified measures of authorities around the globe to limit the spread and effects have resulted in reduced activities from customers and consumers. In combination with a significantly worsening macroeconomic outlook and uncertainty, Doro expects a negative impact on sales and profit for 2020.

The Doro share

SHARE PRICE DEVELOPMENT AND MARKET CAPITALISATION

The Doro share is listed on Nasdaq Stockholm and is part of the Small Cap segment, companies with a market value up to 150 million euros.

The Stockholm Stock Exchange industry index OMX technology, in which the Doro share is included, rose a total of 17.7 per cent in 2019. Doro's share price rose by 47.9 per cent during the same period. The Stockholm Stock Exchange as a whole rose 29.6 per cent. Doro's market capitalisation at the end of 2019 was SEK 1,200 million (827). In total, approximately 8.6 million shares (9.6) were traded during the year with an average daily turnover of 34,390 shares (38,356). The yearly share turnover, based on average number of shares, corresponds to a share turnover ratio of 36.2.

SHARE CAPITAL

At the annual general meeting in May 2019, in accordance with the proposal of the board of directors, it was decided to authorise the board, until the next AGM, to decide to issue new shares up to a total number of shares which, at the date of the AGM, corresponds to 10 per cent of all outstanding shares. The decision was unanimous. At the same general meeting, it was decided, in accordance with the board of directors' proposal, to authorise the board to decide on the acquisition of treasury shares up to a number that does not at any time exceed 10 per cent of all shares in the company. The decision was unanimous. The authorisation to carry out a share issue or acquire treasury shares was not exercised in 2019.

As of 31 December 2019, the share capital amounted to 24,204,568 (24,204,568). All shares have equal voting rights.

INVESTOR RELATIONS

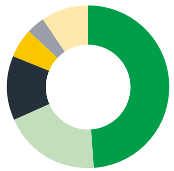
The Doro share is regularly followed by analysts at ABGSC, Redeye and Pareto; for the relevant analyses see www.introduce.se/foretag/doro and www.redeye.se/bolag/doro.

When the company publishes quarterly reports, the CEO and the CFO give a webcast presentation of the report. The webcast, which is normally at 09:00 on the date of the report, can be reached via the company's website https://doro.com/corporate. For those who wish, it is also possible in these presentations to ask questions to the CEO and CFO. In addition to the quarterly report presentations, the CEO and CFO are also available for meetings and telephone conferences with investors, analysts and owners on an ongoing basis during the year.

DIVIDEND

Dividends to shareholders shall represent 33 per cent of net profit (although taking into account capital structure and share repurchase). The board of directors proposes that no dividend is paid for 2019.

Investors by country



Share distribution in size classes

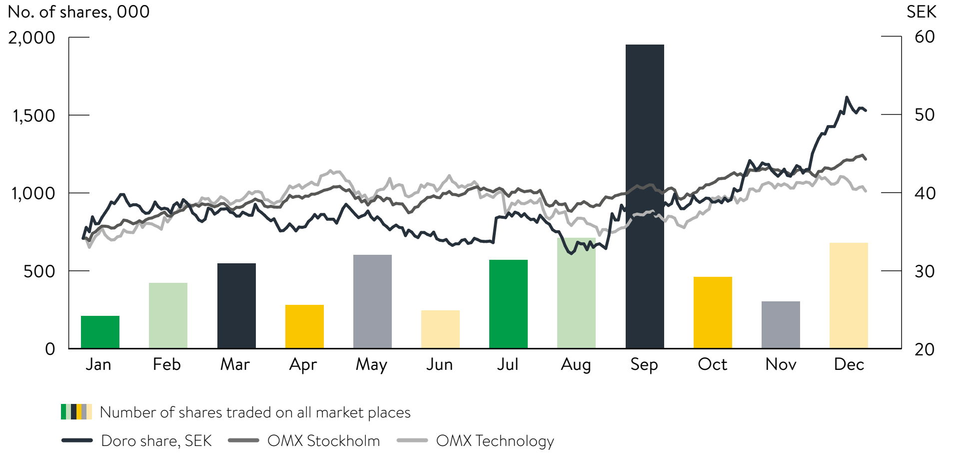
Shareholding	Number of shareholders	% of all owners
1–500	5,610 (5,411)	78.2 (76.8)
501 – 1,000	766 (775)	10.7 (11.0)
1,001–5,000	609 (643)	8.5 (9.1)
5,001–10,000	77 (92)	1.1 (1.3)
10,001–15,000	30 (31)	0.4 (0.4)
15,000 – 20,000	9 (12)	0.1 (0.2)
Over 20,001	75 (83)	1.1 (1.2)
Total	**7,176 (7,047)**	**100.0**

Data per share

Transaction	2019	2018	2017	2016	2015
Number of shares at year end, 000s[1)]	23,766	23,766	23,755	23,238	23,238
Share price at year end, SEK	50.5	34.15	43.7	53	62
Highest paid	52.2	48.55	60.75	78	62
Lowest paid	32.2	33.35	42.1	45.1	37.5
Market value at year end, SEK million	1,200	812	1,038	1,232	1,441
Quota value, SEK	1.00	1.00	1.00	1.00	1.00
Profit for the year, SEK	3.28	3.86	2.83	1.33	2.78
Cash flow per share [2)]	10.2	9.33	5.03	2.66	3.69
Visible equity, SEK	32.89	28.77	24.57	22.38	20.74
Dividend, SEK	-	-	-	1.00	-
Dividend, share of net profit, %	-	-	-	75	-
P/E figure [3)]	15.4	8.9	15.4	39.7	22.3
Direct return, % [4)]	-	-	-	1.9	-

1) Shares excl. in own custody
2) Cash flow from operating activities divided by the number of shares before dilution at year-end
3) Share price at year-end divided by profit per share for the year
4) Dividend per share divided by share price at year-end

Share price development and turnover



Source: Nasdaq and Euroland

Share capital development

Year	Transaction	Change in number of shares	Issue price, SEK	Increase in share capital, SEK million	Paid-in amount, SEK million	Total number of shares
2001	Directed new issue	11,764,705	8.50	11.8	100.0	21,467,859
2005	New share issue	7,141	1.00	0	0.0	21,475,000
2005	Reverse split, 5:1	–17,180,000	0.00	0	0.0	4,295,000
2006	New share issue, 3:1	12,885,000	6.00	64.4	71.2	17,180,000
2006	Offset issue	227,631	7.66	1.1	1.5	17,407,631
2009	Directed new issue	1,700,000	9.50	1.7	16.2	19,107,631
2011	Directed new issue	241,543	25.56	0.2	6.3	19,349,174
2013	Directed new issue	1,457,000	27.89	1.5	40.6	20,806,174
2014	Option programme	398,309	35.30	0.4	14.1	21,204,483
2015	Directed new issue	2,033,772	41.50	2	84.4	23,238,255
2017	Option programme	517,000	42.00	0.5	21.7	23,755,255
2018	Directed new issue	449,313	42.60	0.4	19.2	24,204,568

Largest shareholders

31 December 2019 Ten largest shareholders	Number of shares	Share of capital and votes, %
Accendo Capital SICAV SIF	3,743,092	15.5
Rite Internet Ventures Holding AB	2,486,572	10.3
Nordea Investment Funds	2,214,081	9.2
Lazard Freres Banque, W8IMY	1,373,792	5.7
Clearstream Banking S.A, W8IMY	702,724	2.9
Försäkringsbolaget, Avanza Pension	675,789	2.8
Nordea Bank ABP, Nordea Bank AB (Publ)	659,052	2.7
Nordea Livförsäkring AB	622,200	2.6
Originat AB	540,000	2.2
Deutsche Bank AG, W8IMY	459,987	1.9
Total	**13,477,289**	**55.8**
Total number of shares	**24,204,568**	**100**

Overview of risks

Uncertainty regarding future events is a natural element of all commercial activities. The ability to identify, evaluate, deal with and follow up risks plays a crucial role in the governance of Doro. Our objective is to implement the group's strategy while maintaining a carefully considered and well-balanced level of risk.

For Doro's financial risks , see Note 23 on page 60.

RISK TYPE	RISK DESCRIPTION	CONSEQUENCES OF RISK	MANAGEMENT OF THE RISK
EXTERNAL RISKS			
Technological developments	Risks associated with technological developments that may impact on or challenge demand for existing products or services or the future development of the company's products and services.	An inability to achieve long-term strategic objectives, leading to lower growth and deteriorating financial returns. The risk of losing competitiveness and market position, as well as failing to establish ourselves quickly enough within new business categories.	All business units place a strong emphasis on research and development, proactive business development and acquisition, with the care business having the highest priority. The business organisation carefully monitors developments in technology and new customer segments. Collaborations have been initiated with key partners in order to increase knowledge and capabilities within fields that are not currently part of our core business.
Behaviour	Risks associated with customer and consumer experiences and views of technology, digitisation in the home and willingness to share personal data.	May result in difficulty gaining acceptance and creating demand for new products and services, leading to lower growth and deteriorating financial returns.	In order to increase acceptance for and understanding of technological developments and new technology in the home, Doro strives to maintain an active presence in the social discourse. The company collaborates with organisations to highlight the positive effects of digitalisation for the elderly.
Market development	Risks associated with changing demand or altered competitive conditions.	An inability to achieve long-term strategic objectives, leading to lower growth or deteriorating financial returns.	Our various business units work to continuously strengthen competitiveness by proactively developing the business. We also apply robust cost control procedures.
OPERATIONAL RISKS			
Quality	Risks associated with quality-control issues for products and flaws in service deliverables.	Quality control issues may result in reductions to revenues, gross margins and sales to existing and new customers, as well as penalties, legal claims and reduced liquidity, not to mention damage to the company's reputation.	Doro strives to minimise the risk of complaints, product recalls and liability by conducting extensive testing throughout the R&D process, as well as by quality-assuring products and production processes. Doro employs its own quality controllers to check the quality of all deliveries before they leave the supplier.
IT failures	Risks associated with disruptions and interruptions to critical IT systems in alarm receiving centres and other digital infrastructure.	An inability to deliver services or information to customers or other stakeholders on time, leading to negative financial impact, damage to Doro's reputation and personal injury.	Doro's alarm receiving centres and adjacent organisations are certified according to ISO-270001. All alarm receiving centres are equipped with separate backup solutions.

RISK TYPE	RISK DESCRIPTION	CONSEQUENCES OF RISK	MANAGEMENT OF THE RISK
OPERATIONAL RISKS			
Data and IT security	An inability to limit access to data, leading to unauthorised persons gaining access to confidential information.	This may lead to all business-critical data becoming available to unauthorised stakeholders/ organisations or that sensitive personal data is leaked.	The most data-security-sensitive areas of the company are certified according to ISO-270001. Activities are ongoing to limit the number of disruptions to systems and the consequences of those that do occur. The company conducts structured training to increase awareness of the regulations and procedures that apply at Doro to ensure the secure processing of data and reduce the risk of losing sensitive data. Doro has appointed a group-wide Data Security Steering Group that continuously monitors action plans to ensure a high level of risk minimisation.
Product development	Risks associated with product development; for example, that a product or service fails to reach the launch phase or that, for whatever reason, a launch fails.	The group capitalises research and development costs, meaning that a failed launch requires that those costs are written off.	Prior to commencing any major R&D project, the major risks are discussed and evaluated. Risks associated with ongoing projects are focused on delays and technical issues.
Interruption of operations	The risk of a major disaster or serious incident disrupting the company's ability to maintain its operations in the form of service deliveries.	An inability to maintain service delivery leads to the risk of lost customers, negative financial impact and damage to the company's reputation.	Doro works actively with business continuity management, meaning that in all countries where we have alarm centres there are alternative local sites from which the service can be provided in the event of the regular premises being unavailable for some reason. Alarm receiving centres are also equipped with their own backup electricity supply in the event that the grid fails.

SUSTAINABILITY RISKS			
Negative environmental impact of production	Risks associated with the negative environmental consequences of production in terms of resources used, the use and handling of chemicals and waste management.	Flaws in suppliers' environmental management may lead to a loss of reputation and customers, fines and restrictions on the sale of products on certain markets, with concomitant financial loses. May also lead to reduced delivery capabilities, impacting on sales.	Doro places requirements on suppliers by including environmental requirements in our Supplier Code of Conduct. Doro's most important suppliers are certified according to ISO-14001 and the company is working to ensure that all product suppliers are certified.
Human rights and social conditions	Flaws in social conditions at suppliers, subcontractors and raw-materials producers, including dealing with conflict minerals, which may touch on issues of work environment, health and safety, employment terms and conditions or human rights violations.	Flaws in the social work conducted by Doro's suppliers, subcontractors and raw-materials producers may lead to a loss of reputation and customers, with concomitant financial impact.	The company places demands on its suppliers to comply with our Supplier Code of Conduct, which includes requirements for supporting and respecting human rights. Doro conducts its own and third-party audits of our most important suppliers to ensure that they maintain the correct levels, primarily in their work environment. Whistle-blower procedures have been established to ensure that both Doro's and suppliers' employees, or other external individuals, are able to raise the alarm whenever irregularities are uncovered. Doro requires that raw materials containing conflict minerals are not used in product development.
Corruption	Violations of law or unethical behavior due to a flawed understanding of our core values and Code of Conduct from our co-workers or partners.	The risk of loss of reputation or fines, but also quality defects and an increased probability of the majority of operational risks.	Doro's Code of Conduct makes clear that the company has zero tolerance for unethical behaviour. Whistle-blower procedures have been established to ensure that employees are able to raise the alarm whenever irregularities are uncovered. Doro has established procedures for authorising expenses and payments, the selection of suppliers and approving recruitment decisions, so that these decisions cannot be taken by individuals.
Work environment	Risks associated with the nonexistence of or noncompliance with health and safety procedures, as well as risks associated with the psychosocial work environment, that lead to injury, ill health or increased sick leave.	The risk of damage to the company's reputation if poor health and safety conditions are permitted to exist, with concomitant damage to the company's brand. The risk of employees finding the work environment unsatisfactory, leading to difficulties in retaining and recruiting staff.	Doro strives to create a safe, healthy work environment for all employees. Work environment risks are assessed for each workplace in accordance with local statutory requirements and Doro's own guidelines set out for this purpose. Doro works actively to build good relationships with trade unions.

A clear responsibility for the business creates confidence

CORPORATE GOVERNANCE

The confidence of the market, the owners and the public is central to Doros continued success. This requires responsible, committed and transparent board and management work. It is therefore reassuring that during the year our company has had a well-functioning board that has constructively worked with the company's management and other employees. The board's role is becoming even more important in a global business environment with accelerating changes in both the macro climate and the specific business conditions in which Doro operates and the increased competition that we now see in some of our markets. We are well prepared for developments in the market and can quickly adapt the company to new conditions.

We are also in a period that requires significant investment in new services and products that will make life easier for the world's seniors. This places great demands on the board's ability to make informed decisions and balance the risks and opportunities that are always associated with a commercial activity.

Just as important for Doro's credibility is our openness to the market and that we provide continuous information about our ongoing activities and the outcome of operations. This is the basis of a value-creating relationship with all our stakeholders, where both existing and new shareholders can feel confident of obtaining accurate information at the right time.

Doro AB is a Swedish public limited company listed on OMX Nasdaq Stockholm (Stockholm Stock Exchange). The company has corporate registration number 556161-9429 and has its registered office and head office in Malmö. This corporate governance report has been prepared by Doro AB's board in accordance with the Annual Reports Act and the Swedish Corporate Governance Code (the "Code") and is part of the company's formal annual report and is scrutinised by the company's auditors.

EXTERNAL AND INTERNAL CONTROL INSTRUMENTS

Doro's corporate governance is based on Swedish legislation, mainly the Companies Act, but also the Stockholm Stock Exchange regulations, the Code and other applicable rules and regulations. In addition to these, the company is governed by its articles of association, internal instructions and policies, as well as recommendations issued by relevant organisations and authorities.

The Swedish Corporate Governance Code

The Swedish Corporate Governance Code shall be applied by all companies listed on the Stockholm Stock Exchange. The purpose is to improve corporate governance in listed companies and to create confidence in these companies, both among the public and among those active on the capital markets. The Code is based on the "comply or explain" principle, which means that it is possible to deviate from the rules provided that the company gives an account of the selected alternative and a satisfactory explanation for the change. The Code is available on the website www.bolagsstyrning.se.

SHAREHOLDERS

According to Euroclear Sweden AB's shareholder register as of 31 December 2019, Doro AB had 7,176 shareholders. Of the total number of shares, foreign shareholders accounted for 51.9 per cent. On 31 December 2019, the number of shares in Doro AB amounted to 24,204,568 and, on the same date, Doro's market capitalisation amounted to SEK 1,200 million.

Doro's largest shareholder is Accendo Capital, which owns 15.5 per cent of the company's shares.

GENERAL MEETING

The general meeting is the company's highest decision-making body. At the annual general meeting, Doro AB's board of directors and the chair of the board are elected. The company's auditors are also appointed. The annual general meeting establishes the income statement and balance sheet and the allocation of profit for the year. Other matters follow from the Swedish Companies Act. The annual general meeting shall be held within six months after the end of the financial year. Shareholders who are registered in Euroclear Sweden's share register as of the record date and have registered have the right to participate at the general meeting.

NOMINATION COMMITTEE

The annual general meeting appoints the members of the company's nomination committee. The nomination committee's task is to nominate board members and, where applicable, auditors for election at the next annual general meeting and to propose remuneration for the work of the board and its committees. The nomination committee also proposes the chair for the annual general meeting.

The nomination committee consists of chair Mark Shay, nominated by Accendo Capital, Christoffer Häggblom, nominated by Rite Ventures and Erik Durhan, nominated by Nordea. Lennart Jacobsen, chair of Doro AB, is adjunct to the nomination committee.

THE BOARD OF DIRECTORS

The board of Doro has overall responsibility for creating a value-creating and sustainable business for shareholders and other stakeholders with continuity and long-term sustainability. The board is responsible for the overall strategy of the company, ensures a well-founded decision-making process and has a good perception of how the industry and Doro's world is developing.

Board members

Doro AB's board consists of five members elected by the annual general meeting on 3 May 2019 and an employee board member. Lennart Jacobsen was elected chair of the board.

The five members are independent of the company and its management. Two of the board members, Henri Österlund and Josephine Salenstedt, are dependent in relation to the company's largest shareholders. Doro thus meets the 2019 requirements of the Stockholm Stock Exchange and the rules in the Swedish Corporate Governance Code regarding the independence of board members. The composition of the board and a detailed presentation of each member may be found on page 34.

The rules of procedure for the board

The board's rules of procedure lay down the working methods of Doro AB's board of directors. The board's rules of procedure are based on the articles of association, the Companies Act and the code. The board has overall responsibility for the Doro group.

The board's responsibilities also include Doro's relations with the shareholders, the public, authorities and other organisations and interest groups. The board is responsible for executing decisions taken by the annual general meeting and for achieving the business objectives specified in the company's articles of association. The board's authorisation is described in the articles of association and in the Swedish Companies Act.

The work of the board

The board met 7 times in 2019. All members were present at all meetings except Josephine Salenstedt absent on 5 March, Henri Österlund absent on 5 August and 14 November, Mona Sahlberg absent on 8 September and Niklas Savander absent on 14 November.

CEO Carl-Johan Zetterberg Boudrie is present at all board meetings. Doro's acting CFO Ronnie Ekman attends board meetings and is the board's secretary. Other senior executives participate in board meetings as rapporteurs.

The board deals with current issues such as market situation, budget, profit and loss for the period and cost-effectiveness. All board meetings follow a pre-approved agenda. This is sent to each board member one week before each meeting, along with relevant documentation and a list of open items from the previous meeting. Board meetings normally start with a discussion about business and the company's financial results. Quarterly reports and the annual report are reviewed and approved before publication. Other issues that have been discussed and dealt with at board meetings in 2019 are risks, policies, sustainability issues, the company's new strategy and acquisition issues. At the end of the year, the CEO presented the budget for the following year. The budget was discussed and approved. The remuneration committee's meetings are reported to the board of directors and minutes of these meetings are distributed to the board. The board also receives a monthly report on an ongoing basis.

Evaluation of the work of the board

Doro's chair Lennart Jacobsen is responsible for ensuring that an evaluation of the Board's work, including its committees (audit and remuneration committee), is carried out annually. An evaluation of the board's work process, competence, background, experience and composition was carried out during the autumn. The work was presented to the nomination committee and reviewed by the board so as to continuously improve the board's work.

Remuneration of the Board

Remuneration for board members, the chair of the board and committee work is decided annually by the annual general meeting. Proposals for fees are prepared by the company's nomination committee. Remuneration to the board during the year has been paid as follows:

- Chair Lennart Jacobsen received SEK 600,000 for the chairmanship of Doro's board of directors.
- Deputy chair Henri Österlund received SEK 350,000 for the deputy chairmanship of Doro's board of directors.
- Josephine Salenstedt, Towa Jexmark and Niklas Savander have each received a board fee of SEK 250,000.

In total, the remuneration for board and committee work amounted to SEK 1,700 (1,483) thousand, which follows the decision of the annual general meeting.

Diversity policy on the board of directors

As a group, the members of Doro's board shall have a composition that is characterised by the diversity and breadth of competence, experience and background of the members elected by the general meeting, taking into account the company's activities, stages of development and conditions in other respects. An even gender division shall always be sought.

Distribution of work between the board and the CEO

The company's board of directors appoints its CEO. The distribution of work between the board and the CEO is described in the rules of procedure for the board and in the instructions to the CEO. These documents determine that the board is responsible for the company's governance, supervision of the ongoing operations, organisation, strategies, internal control and policies. The board also decides on issues concerning major investments, policy issues regarding governance of subsidiaries and the election of board members and managing directors of subsidiaries. The board ensures the quality of financial reporting.

In turn, the CEO is responsible for managing the company in accordance with the board's guidelines and instructions. In addition, the CEO is responsible for the budget work and the planning of the company's activities in order to achieve specific objectives. The CEO shall ensure a good control environment and that the group's risk-taking always complies with the board's instructions.

Any deviations must be reported to the board. The board also receives regular updates from the CEO in the form of monthly reports.

THE AUDIT COMMITTEE

The audit committee's responsibility is carried out as an integral part of the board meetings and their minutes. All Doro's board members are also members of the audit committee. Investigation of quarterly financial statements as of 30 September, investigation of the company's internal control and annual financial statements are reported to the audit committee. The audit's focus and scope are presented by the company's auditor.

During the year, the audit committee held two minuted meetings. All members and the company's auditor attended both meetings.

The audit committee fulfils the requirement for independence in the Swedish Corporate Governance Code.

THE REMUNERATION COMMITTEE

The board as a whole is responsible for remuneration issues and other conditions of employment for group management. The chair of the board shall approve the terms and conditions for managers who report to the CEO. In total, employment conditions are handled for seven people. The board determines the remuneration of the CEO.

The board has appointed Jonas Mårtensson and Henri Österlund to the remuneration committee. The remuneration committe prepare questions and proposals for the board. During the year, the committee held four minuted meetings, attended by both members, which have been reported to the board.

AUDITOR

The auditors follow and investigate how the company is led by its board and CEO, as well as the quality of the company's financial reporting.

The annual general meeting 2019 appointed the auditing company PricewaterhouseCoopers AB as Doro AB's auditors for a period of one year, with Magnus Willfors as chief auditor.

For the past three years, fees for audit work in the Doro group amounted to SEK 2.9 million (2019), SEK 1.6 million (2018) and SEK 1.6 million (2017) for each year.

PRESIDENT AND CEO AND GROUP MANAGEMENT

Doro's group management consists of Doro's President and CEO and six other managers. Group management is made up of five men and two women. Robert Puskalic was CEO from 1 February 2017 until 13 May 2019. Carl-Johan Zetterberg Boudrie took over as CEO on 13 May 2019. The composition of group management and a detailed presentation of the President and CEO and the respective managers may be found on page 35.

Remuneration to group management

The annual general meeting on 3 May 2019 decided on guidelines for remuneration to the CEO and other senior executives for the financial year 2019. The total remuneration shall be reviewed annually to ensure that it is market-based and competitive. When comparing, account shall be taken of the position, the size of the company, salary and the person's experience. In addition to a fixed base salary, management may also receive variable cash remuneration (including any bonuses), which shall have a predetermined ceiling and be based on results achieved in relation to the company's established performance targets (and in some cases other key figures).

The company's present CEO received a salary of SEK 1,685 thousand for his work during May to December 2019. Variable remuneration of SEK 986 thousand has been paid for 2019. In accordance with the employment contracts in force, the CEO and the company have a mutual period of notice of twelve months. During the period of notice, the CEO is entitled to full salary and other employment benefits. In 2019, the company's former CEO received a salary of SEK 5,271 thousand, which includes severance pay of SEK 3,700 thousand. Variable remuneration of SEK 1,498 thousand has been paid. Salaries to the seven other members of group management amounted to SEK 7,597 thousand. Variable remuneration of SEK 1,477 thousand has been paid for 2019. All members of the group management team, including the CEO, are offered a benefit in the form of a company car if desired. The company's other senior executives have a notice period of six months.

GOVERNANCE OF SUBSIDIARIES

The 17 subsidiaries are controlled and supervised by their own boards in each country, which mainly consist of representatives of Doro AB in Sweden. Doro AB's President and CEO or CFO is chair of each subsidiary. The subsidiaries report to Doro AB's board of directors at all meetings. The reports contain information on the respective company's development and financial position.

The board's report on internal control

THE BOARD'S REPORT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2019

The board shall, according to the Swedish Corporate Governance Code, ensure that the company has good internal control and is continuously keep informed, as well as evaluating how the company's internal control system is functioning. The board shall also report on the organisation of internal controls relating to financial reporting and, if there is no internal audit, evaluate the need for such a function and justify its decision.

CONTROL ENVIRONMENT

In order to create and maintain a functioning control environment, the board has established a number of basic documents relevant to financial reporting, including in particular the board's rules of procedure and instructions to the CEO and committees. There is a precise instruction to the CEO that is reviewed annually and approved by the board. It is primarily the responsibility of the CEO to maintain the control environment directed by the board in day-to-day work. The CEO regularly reports to the board according to established procedures. In addition to this, there is reporting from the company's auditors.

The internal control structure is also based on a management system based on the company's organisation and way of running the business, with clearly defined roles and responsibilities and delegation of authority. Governing documents, such as policies and guidelines, also play an important role in the control structure.

RISK ASSESSMENT

Risk and risk management in Doro's operations is described in more detail in the section Risk management on pages 28-29. The specific financial risks are described in more detail in Note 23. Doro carries out an ongoing risk assessment to identify significant risks that could lead to errors in financial reporting. Risk management is built into each process and different methods are used to evaluate and limit risks and to ensure that the risks to which Doro is exposed are managed in accordance with established regulations, instructions and follow-up procedures. The purpose of this is to reduce any risks and promote correct accounting, reporting and information disclosure.

CONTROL ACTIVITIES

Control activities are intended to manage the risks that the board of directors and the company's management deem important for the business, internal control and financial reporting.

The control structure consists of, among other things, clear roles within the organisation that enable an effective division of responsibility for specific control activities, the purpose of which is timely detection and prevention of the risk of errors in reporting. Examples of such control activities are a clear decision-making procedure and clear decision-making processes for major decisions, such as acquisitions, other types of major investments, divestments, contracts and analysis.

An important task for Doro's group functions is to implement, further develop and maintain the group's control routines and to perform internal control focused on business-critical issues. Process controllers at different levels are responsible for the performance of the necessary controls on financial reporting. The year-end and reporting processes include controls on valuation, accounting principles and estimates.

The continuous analysis carried out on financial reporting, together with the analysis performed at group level, is very important in order to ensure that financial reporting does not contain any material inaccuracies.

INFORMATION AND COMMUNICATION

Doro's board receives on a monthly basis financial reports regarding the group's position and profit development. The board discusses all quarterly financial statements as well as annual reports before they are published externally and monitors the review of internal control and financial statements that is made.

Regular updates and notifications inform the relevant employees about changes in accounting principles, changes in reporting requirements or other information.

The organisation has access to policies and guidelines. The board receives monthly financial reports.

The external information and communication is governed by, among other things, the company's information policy, which describes Doro's general principles for information disclosure.

FOLLOW-UP

Doro's compliance with adopted policies and guidelines is followed up by the board and executive management. The company's financial situation is discussed at every board meeting.

Before publication of interim reports and the annual report, the board and management review the financial reporting.

Doro's management performs a monthly follow-up on financial results, with analysis of deviations from budget, forecasts and the previous year. It is also part of the external auditors' task every year to review internal control at the group's subsidiaries. The board meets with the auditors twice a year, partly to go through internal control and partly to give the auditors the task of carrying out special audits aimed at any area.

In view of this combined background, the board of directors has not considered it necessary to establish a separate internal audit.

Malmö, March 2020
Board of Directors of Doro AB

Board of directors

LENNART JACOBSEN
Chair of the Board

Main occupation: Board and committee memberships.

Education: MSc, Royal Institute of Technology, Stockholm.

Elected: 2019.

Born: 1966.

Nationality: Swedish.

Other assignments: Chair: Qliro AB, Playground Group AB, Board member: Qliro Group AB, Oryx Holding.

Previous experience: Head of Retail Banking, Country Senior Executive and Executive VP at Nordea, CEO Nordics at GE Capital Global Banking.

Dependence: Independent in relation to the company and its management. Independent of the company's largest owners.

Own and closely related parties' shareholdings: 10,000 shares.

HENRI ÖSTERLUND
Deputy Chair of the Board

Main occupation: Managing Partner, Accendo Capital.

Education: Degree in business administration, School of Economics in Helsinki.

Elected: 2015.

Born: 1971.

Nationality: Finnish.

Other assignments: Founder and Partner: Accendo Capital. Board and committee memberships: Remedy Entertainment Oy.

Previous experience: Board member: Okmetic Oy, Talentum Oy, Comptel Oy, Partner: Conventum Corporate Finance, Triton in London, Associate: Doughty Hanson.

Dependence: Independent in relation to the company and its management. Not independent of the company's largest owners.

Own and closely related parties' shareholdings: 6,830 shares and 3,743,092 shares (Accendo Capital).

TOWA JEXMARK
Board member

Main occupation: Head of Innovation, Ramsay GdS.

Education: Medical degree, Umeå University, Physiotherapy degree, Lund University.

Elected: 2019.

Born: 1971.

Nationality: Swedish.

Other assignments: –

Previous experience: Many years of experience of health care, both as a specialist doctor and a manager. In recent years has worked on digitalisation and innovation.

Dependence: Independent in relation to the company and its management. Independent of the company's largest owners.

Own and closely related parties' shareholdings: -

NIKLAS SAVANDER
Board member

Main occupation: Advisor, investor and professional board member.

Education: Master of engineering from Helsinki University of Technology and Degree in business administration from the Swedish School of Economics in Helsinki.

Elected: 2018.

Born: 1962.

Nationality: Swedish and Finnish.

Other assignments: Senior Advisor: Permira Private Equity, Chair: EasyPark, Cint AB, Zervant Oy and a number of private ownership and investment companies in Sweden and Finland, Board member: Verne Global Ltd.

Dependence: Independent in relation to the company and its management. Independent of the company's largest owners.

Previous experience: CEO Elekta AB, chief operating officer and a number of business unit managements at Nokia Oy, Chair: Nebula Oy, Deputy chair: Tamfelt Oy, Board member: NokiaSiemensNetworks BV, Symbian Ltd, Klarna Bank AB.

Own and closely related parties' shareholdings: 68,000 shares.

JOSEPHINE SALENSTEDT
Board member

Main occupation: Partner, Rite Ventures.

Education: Degree in business administration, Stockholm School of Economics.

Elected: 2018.

Born: 1984.

Nationality: Swedish.

Other assignments: Board member: Paradox Interactive AB, Chair: Söder Sportfiske AB.

Dependence: Independent in relation to the company and its management. Not independent of the company's largest owners.

Previous experience: Approximately 15 years of experience of technology companies and active ownership in growth companies.

Own and closely related parties' shareholdings: 2,486,572 shares (Rite Ventures).

MONA SAHLBERG
Employee representative

Trade union: Akademikerna.

Elected year: 2018.

Born: 1966.

Nationality: Swedish.

Own and closely related parties' shareholdings: 100 shares.

MAGNUS WILLFORS
Auditor

PricewaterhouseCoopers AB.

Born: 1963.

Other assignments: Carl Bennet AB, Arjo AB, Elanders AB, Haldex AB and Arise AB.

Management

CARL-JOHAN ZETTERBERG BOUDRIE
President and CEO

Education: MSc, Royal Institute of Technology and Degree in business administration, Stockholm University.

Employed since: 2016.

Born: 1978.

Nationality: Swedish.

Previous experience: CFO at Doro, VP Public Care at Doro, CFO at Lekolar, Vice President Business Development at Beijer Electronics, Management Consultant at Capgemini Invent.

Own and closely related parties' shareholdings: 7,950 shares (via company), 121,100 options.

CARL-JOHAN RIJPMA
Vice President Operations

Education: Master of engineering, Lund Institute of Technology and Degree in business administration, Lund University.

Employed since: 2017.

Born: 1975.

Nationality: Swedish.

Previous experience: Procurement Director Findus Group, Director Sourcing & Partner Management Sony Mobile Companion Products.

Own and closely related parties' shareholdings: 3,000 shares, 56,000 options.

ANNIKA RAMSING
Chief Human Resources Officer

Education: Bachelor's degree in behavioural sciences, Lund University.

Employed since: 2018.

Born: 1972.

Nationality: Swedish.

Previous experience: Group HR Manager, TwentyFourSevenGroup AB, HRBP, Grontmij AB, HR Manager, Hi3G A/S, Consultant Manager Ajilon AB, HR Advisor Orange AB.

Own and closely related parties' shareholdings: 42,000 options.

JÖRGEN NILSSON
VP Consumer Segment

Education: Bachelor of Science in Systems Analysis, Lund University.

Employed since: 2015.

Born: 1970.

Nationality: Swedish.

Previous experience: Director Category Management, Doro, Category Manager Feature Phones, Doro, Commercial Advisor Viva, STC Kuwait, Programme Manager Telenor Thailand, Programme Manager Orange Egypt, Consultant Cap Gemini, Ernst & Young.

Own and closely related parties' shareholdings: 6,000 shares, 70,000 options.

STEVE SMITH
VP Public Care Segment

Education: Master of Business Administration, Open University.

Employed since 2018.

Born: 1958.

Nationality: British.

Previous experience: CEO at Welbeing, COO at AlwaysON, Director at HPS Consulting, MD at Cirrus (now Appello), Regional MD at Tunstall, MD at Modern Vitalcall.

Own and closely related parties' shareholdings: 55,984 shares, 10,000 options.

LINDA NILSSON
CFO

Education: Degree in business administration, Växjö University.

Employed since 2020.

Born: 1978.

Nationality: Swedish.

Previous experience: Management Control Director at Skånemejerier Group Lactalis, Business Control Director at Sandvik SMRT, Group Controller at European House of Beds, Business Controller at Oriflame, Commercial Planning Manager at Orange.

Own and closely related parties' shareholdings: –

The management group also includes Jonas Norberg, Chief Technology Innovation Officer, who will take up the position on 6 April 2020.

Consolidated Income statement

The Group

SEK m	Note	2019	2018
Net sales	2,3	2,063.0	1,906.4
Cost of goods and services sold		-1,413.5	-1,269.2
Gross profit		**649.5**	**637.2**
Selling, distribution and marketing expenses		-284.7	-278.4
Research and development expenses		-98.7	-104.8
Administration expenses		-156.1	-134.3
Other income and expenses	2	2.1	2.6
Operating profit/loss	4,5,29	**112.1**	**122.3**
Profit/loss from financial items			
Financial income	6	5.9	5.4
Financial expenses	6	-10.7	-4.7
Profit/loss before taxes		**107.3**	**123.0**
Income tax expense	17	-29.4	-31.5
PROFIT/LOSS FOR THE YEAR		**77.9**	**91.5**
Attributable to:			
Parent company's shareholders		**77.9**	**91.5**
Key figures			
Average number of shares, thousands	11	23,766	23,674
Average number of shares after dilution, thousands		23,766	23,674
Earnings per share before dilution, SEK		3.28	3.86
Earnings per share after dilution, SEK		3.28	3.86

Statement of comprehensive income

The Group

SEK m	2019	2018
PROFIT/LOSS FOR THE YEAR	**77.9**	**91.5**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences	22.4	5.1
Effects from cash flow hedges	-2.5	1.0
Deferred tax	0.5	-0.2
Other comprehensive income	**20.4**	**5.9**
Total result	**98.3**	**97.4**
Attributable to:		
Parent company's shareholders	**98.3**	**97.4**

Balance Sheet
The Group

Assets, SEK m	Note	2019	2018
ASSETS			
NON-CURRENT ASSETS			
Goodwill	7	513.5	465.9
Customer register and distribution agreements	7	32.3	35.1
Trademarks	7	1.7	2.1
Capitalized expenditure for development work	7	149.8	107.4
Rented premises	7	0.9	1.8
Right-to-use assets	4	62.6	0.0
Equipment, tools and rental equipment	8	60.5	41.1
Long-term receivables	4	5.2	6.9
Other financial non-current assets		0.6	0.6
Deferred tax asset	17	16.7	6.5
		843.8	**667.5**
CURRENT ASSETS			
Inventories	19	244.4	264.0
Prepayments to supplier		3.4	6.1
Accounts receivable – trade	23	329.7	332.9
Other current receivables	4,10	22.4	27.7
Prepaid expenses and accrued income	10	35.3	32.0
Cash and bank balances	12	198.5	134.2
		833.7	**796.9**
TOTAL ASSETS		**1,677.5**	**1,464.4**

SHAREHOLDERS' EQUITY AND LIABILITIES, SEK m	Note	2019	2018
SHAREHOLDERS' EQUITY			
Share capital	11	24.2	24.2
Other allocated capital		284.9	285.1
Reserves		38.3	17.9
Profit/loss brought forward		356.5	265.0
Profit/loss for the year		77.9	91.5
Total shareholders' equity		**781.8**	**683.7**
LONG TERM LIABILITIES			
Interest-bearing liabilities			
Provisions for pension	21	47.8	3.2
Liabilities to credit institutions	24	220.0	240.0
Leasing liabilities	4	42.6	0.0
Total interest-bearing liabilities		**310.4**	**243.2**
Non interest-bearing liabilities			
Other provisions	22	35.5	41.0
Total non interest-bearing liabilities		**35.5**	**41.0**
CURRENT LIABILITIES			
Interest-bearing liabilities			
Leasing liabilities	4	20.0	0.0
Total interest-bearing liabilities		**20.0**	**0.0**
Non interest-bearing liabilities			
Provisions for guarantees	20	48.4	46.1
Accounts payable – trade		229.5	216.8
Other liabilities		23.1	5.5
Current tax liability		19.4	15.6
Accrued expenses and prepaid income	13	209.4	212.5
Total non interest-bearing liabilities		**529.8**	**496.5**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,677.5**	**1,464.4**

Changes in Shareholders' Equity
The Group

SEK m	Share capital	Other allocated capital	Reserves[1]	Profit brought forward	Total share-holders' equity
Shareholders' Equity December 31, 2017	**23.8**	**264.0**	**12.0**	**283.9**	**583.7**
Profit/loss for the year				91.5	91.5
Other comprehensive income			5.9		5.9
Total result	**0.0**	**0.0**	**5.9**	**91.5**	**97.4**
Repurchase of shares				-18.9	-18.9
New share issue connected to company acquisition, Note 18	0.4	18.8			19.2
Warrant premium	0.0	2.3			2.3
Total transactions with shareholders	**0.4**	**21.1**	**0.0**	**-18.9**	**2.6**
Shareholders' Equity December 31, 2018	**24.2**	**285.1**	**17.9**	**356.5**	**683.7**
Profit/loss for the year				77.9	77.9
Other comprehensive income			20.4		20.4
Total result	**0.0**	**0.0**	**20.4**	**77.9**	**98.3**
Repurchase of warrants	0.0	-0.2			-0.2
Total transactions with shareholders	**0.0**	**-0.2**	**0.0**	**0.0**	**-0.2**
Shareholders' Equity December 31, 2019	**24.2**	**284.9**	**38.3**	**434.4**	**781.8**

1) Specification of reserves.	**2019**	**2018**
Accumulated translation differences, January 1	17.9	12.8
Translation differences for the year	22.4	5.1
Accumulated translation differences, December 31	**40.3**	**17.9**
Accumulated effects of cash flow hedges, January 1	0.0	-0.8
Effects of cash flow hedges for the year	-2.5	1.0
Deferred tax in effects of cash flow hedges	0.5	-0.2
Accumulated effects of cash flow hedges, December 31	**-2.0**	**0.0**
Total reserves, December 31	**38.3**	**17.9**

Cash flow Statement

The Group

SEK m	Note	2019	2018
CURRENT ACTIVITIES			
Operating profit		112.1	122.3
Adjusted for items not in cash flow			
Change in provisions	20,21,22	-1.4	18.5
Depreciation and write downs	7,8,29	97.2	72.0
Unrealized exchange differences in cash flow hedges		5.8	-5.7
Total adjustment for other non-cash items		**101.6**	**84.8**
Interest received		0.5	0.2
Interest paid		-7.2	-4.7
Taxes paid	17	-28.1	-15.1
Cash flow from current activities before changes in working capital		**178.9**	**187.5**
Change in working capital			
Change in stocks	19	26.8	-73.2
Change in receivables		17.5	27.5
Change in non-interest-bearing liabilities		19.5	80.0
Cash flow from current activities		**242.7**	**221.8**

SEK m	Note	2019	2018
INVESTMENT ACTIVITIES			
Acquisitions of subsidiaries	18	-18.7	-110.7
Acquisition of intangible assets	7	-91.6	-80.6
Acquisition of tangible fixed assets	8	-32.3	-18.7
Cash flow from investment activities		**-142.6**	**-210.0**
FINANCING ACTIVITIES			
Repurchase of shares		0.0	-18.9
Warrant program, new issue		0.0	2.4
Warrant program, buy back		-0.2	-0.1
Amortization of loans		-37.5	-185.0
Loans raised		0.0	265.0
Cash flow from financing activities		**-37.7**	**63.4**
Cash flow for the year		**62.4**	**75.2**
Cash and bank balances at start of year		134.2	57.1
Exchange rate difference in liquid assets		1.9	1.9
Cash and bank balances at end of year		**198.5**	**134.2**

Income statement
Parent company

SEK m	Note	2019	2018
Net sales	2,3	1,566.0	1,483.9
Cost of goods and services sold		-1,087.5	-999.5
Gross profit		**478.5**	**484.4**
Selling, distribution and marketing expenses		-142.4	-153.9
Research and development expenses		-92.0	-101.3
Administration expenses		-188.7	-159.1
Other income and expenses		-0.6	0.5
Operating profit/loss	4,5,29	**54.8**	**70.6**
Profit/loss from financial items			
Financial income	6	21.9	10.5
Financial expenses	6	-20.1	-4.9
Profit/loss after financial items		**56.6**	**76.2**
Income tax expense	17	-15.6	-19.2
PROFIT/LOSS FOR THE YEAR		**41.0**	**57.0**

Statement of comprehensive income
Parent company

SEK m	2019	2018
PROFIT/LOSS FOR THE YEAR	**41.0**	**57.0**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Effects from cash flow hedges	-2.5	1.0
Deferred tax	0.5	-0.2
Other comprehensive income	**-2,0**	**0,8**
Total result	**39.0**	**57.8**

Balance Sheet
Parent company

Assets, SEK m	Note	2019	2018
FIXED ASSETS			
Intangible assets			
Capitalized expenditure for development work	7	149.8	107.4
Goodwill	7	173.8	186.2
Customer register	7	0.2	3.3
Tangible assets			
Equipment, tools and rental equipment	8	19.4	17.3
Financial assets			
Participations in Group companies	9	246.3	255.2
Receivables from Group companies		53.6	15.1
Deferred tax asset	17	3.1	1.7
Total fixed assets		**646.2**	**586.2**
CURRENT ASSETS			
Inventories			
Goods for resale	19	183.8	195.5
Advanced payment to suppliers		0.4	0.4
Current receivables			
Accounts receivable – trade		246.7	236.9
Receivables from Group companies		283.9	266.5
Other current receivables	10	13.9	20.2
Prepaid expenses and accrued income	10	9.5	14.9
Cash and bank balances	12	104.6	98.3
Total current assets		**842.8**	**832.7**
TOTAL ASSETS		**1,489.0**	**1,418.9**

Balance Sheet
Parent company

Shareholders' equity and liabilities, SEK m	Note	2019	2018
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital	11	24.2	24.2
Revaluation reserve		0.5	0.5
Other allocated capital		55.5	55.5
Reserve for development expenses		116.8	70.5
Total restricted equity		**197.0**	**150.7**
Non-restricted equity			
Share premium reserve		200.9	200.9
Fair value reserve		-2.0	0.0
Profit/loss brought forward		74.0	63.2
Profit/loss for the year		41.0	57.0
Total non-restricted equity		**313.9**	**321.1**
Total shareholders' equity		**510.9**	**471.8**
PROVISIONS			
Provisions for guarantees	20	40.0	38.6
Other provisions	22	34.5	39.4
Total provisions		**74.5**	**78.0**

Shareholders' equity and liabilities, SEK m	Note	2019	2018
LONG-TERM LIABILITIES			
Interest-bearing liabilities			
Liabilities to credit institutes		220.0	240.0
Total interest-bearing liabilities		**220.0**	**240.0**
CURRENT LIABILITIES			
Interest-bearing liabilities			
Liabilities to Group companies		30.6	41.3
Total interest-bearing liabilities		**30.6**	**41.3**
Non interest-bearing liabilities			
Accounts payable – trade		206.7	172.1
Liabilities to Group companies		282.2	250.1
Other liabilities		12.0	5.0
Current tax liability		27.7	20.9
Accrued expenses and prepaid income	13	124.4	139.7
Total non interest-bearing liabilities		**653.0**	**587.8**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,489.0**	**1,418.9**

Changes in shareholders' Equity

Parent company

SEK m	Share capital	Revaluation reserve	Statutory reserve	Development expenses reserve	Share premium reserve	Fair value reserve	Retained earnings	Total shareholders' equity
Shareholders' equity December 31, 2017	**23.8**	**0.5**	**55.5**	**36.5**	**179.7**	**-0.8**	**116.1**	**411.3**
Profit for the year							57.0	57.0
Other comprehensive income						0.8		0.8
Total result	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.8**	**57.0**	**57.8**
Allocation of earnings to development expenses reserve				34.1			-34.1	0.0
Repurchases of shares							-18.8	-18.8
New share issue connected to company acquisition, note 18	0.4				18.8			19.2
New Share issue connected to warrant program	0.0				2.4			2.4
Total transactions with shareholders	**0.4**	**0.0**	**0.0**	**34.1**	**21.2**	**0.0**	**-52.9**	**2.8**
Shareholders' equity December 31, 2018	**24.2**	**0.5**	**55.5**	**70.5**	**200.9**	**0.0**	**120.2**	**471.8**
Profit for the year							41.0	41.0
Other comprehensive income						-2.0		-2.0
Total result	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-2.0**	**41.0**	**39.0**
Allocation of earnings to development expenses reserve				46.2			-46.2	0.0
Total transactions with shareholders	**0.0**	**0.0**	**0.0**	**46.2**	**0.0**	**0.0**	**-46.2**	**0.0**
Shareholders' equity December 31, 2019	**24.2**	**0.5**	**55.5**	**116.8**	**200.9**	**-2.0**	**115.0**	**510.9**

Cash flow statement

Parent company

SEK m	Note	2019	2018
OPERATING ACTIVITIES			
Operating profit		54.8	70.6
Adjusted for items not in cash flow			
Change in provisions	20,21,22	-3.5	19.5
Depreciation and write downs	7,8	71.1	72.2
Unrealized exchange differences in cash flow hedges		5.8	-5.7
Total adjustment for non-cash items		**73.4**	**86.0**
Paid and received interest, net		6.1	5.3
Taxes paid		-5.7	-4.9
Taxes paid during the year		-9.7	-1.9
Cash flow from current activities before changes in working capital		**118.9**	**155.1**
Change in working capital			
Change in stocks	19	11.7	-56.2
Change in receivables		-5.1	-17.9
Change in non-interest-bearing liabilities		38.9	134.9
Cash flow from operating activities		**164.4**	**215.9**

SEK m	Note	2019	2018
INVESTMENT ACTIVITIES			
Acquisition of subsidiaries	18	-2.1	-133.0
Acquisition of intangible fixed assets	7	-91.6	-80.6
Acquisition of tangible fixed assets	8	-8.5	-8.9
Loan to subsidiary		-35.9	0.0
Cash flow from investment activities		**-138.1**	**-222.5**
FINANCING ACTIVITIES			
Repurchase of shares		0.0	-18.9
Warrant program		0.0	2.3
Loans raised		0.0	265.0
Amortization of loan		-20.0	-185.0
Cash flow from financing activities		**-20.0**	**63.4**
Cash flow for the year		**6.3**	**56.8**
Cash and bank balances at start of year		98.3	41.5
Cash and bank balances at end of year		**104.6**	**98.3**

Notes

Note 1 Accounting principles

The Annual Accounts and Consolidated Accounts were approved for publication by the Board of Directors and Chief Executive Officer on March 24, 2020 and will be presented to the AGM on April 24, 2020 for approval.

The Consolidated Accounts were prepared in accordance with International Financial Reporting Standards (IFRS/IAS) as issued by the International Accounting Standards Board (IASB) as endorsed by the EU.

The Consolidated Accounts were also prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups).

The Annual Accounts of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and applying the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities). Statements applicable to listed companies issued by the Swedish Financial Reporting Board have also been applied.

SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The financial position and performance of the group was particularly affected by the acquisition of the British telecare company Centra Pulse and Connect as of September 2, 2019. The acquisition resulted in an increase of goodwill and other intangible assets (note 18). For a detailed discussion about the Group's performance and financial position refer to our administration report on pages 23-25.

NEW ACCOUNTING POLICIES FOR 2019

IASB has issued several new standards and amendments to standards effective on January 1, 2019. Except for IFRS 16 Lease, none of these have had a material impact on Doro's financial statements.

IFRS 16 Leases

IFRS 16 Leases was published in January 2016 and replaces the former IAS 17 Leases and the related IFRIC 4, SIC-15 and SIC-27 interpretation statements. IFRS 16 Leases is effective as of 1 January 2019. For lessees, the standard eliminates the classification of leases as either operating or finance, as required by IAS 17, and instead introduces a single lease accounting model. Applying that model a lessee is required to recognize, (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of leased assets separately from interest on lease liabilities in the income statement.

Doro has adopted IFRS 16 using the modified retrospective approach, which means that the comparatives for 2018, in accordance with the standard are not restated. The lease liability is the sum of the present value of all future payments until lease end date. The practical expedient to set the right of use asset (before adjustments for any prepayments) equal to the lease liability has been applied for the transition. The rate for discounting the lease payments is the Doro Group incremental borrowing rate with consideration to for example the maturity of the lease contracts. The practical expedient for definition of a lease has been applied. The short term lease exception and the asset of low value exception as well as treating all agreements terminating in 2019 as short term lease has also been applied.

NEW ACCOUNTING POLICIES FOR 2020 AND ONWARDS

A number of new standards and interpretations are effective for financial years starting after 1 January 2019 and have not been applied in this financial report. These standard changes or interpretations are not expected to have a significant effect on the Group's consolidated financial statements in current or future periods or on future transactions.

Basis for the preparation of the financial statements

Assets, provisions and liabilities are based on historical cost unless otherwise stated below. All amounts, unless otherwise stated, are in millions of Swedish kronor (SEK m).

GROUP

Consolidated Accounts

PRINCIPLES

The Group includes the Parent Company Doro AB, and the companies in which the Parent Company, directly or indirectly owns shares controlling more than half of the voting rights. This means that Doro AB exerts a controlling influence over Group companies. Acquired companies are included in the Consolidated Accounts from the acquisition date or when control of the company is obtained. Sold companies are included up to and including the date they are sold. The Consolidated Accounts are prepared in accordance with the purchase method, which means that the historical cost of participations in Group companies is divided between identifiable assets and liabilities at their fair value on the acquisition date.

Unutilized loss carry-forwards for tax purposes in the acquired company are converted into deferred tax assets in the Consolidated Accounts if the assessed earnings capacity is such that utilising them is deemed possible. Furthermore, deferred tax is calculated on the difference between the fair values of assets and liabilities and their tax base. In cases where the historical cost of participations in Group companies exceeds the net of acquired assets and liabilities, as above, the difference is recognized as goodwill, which is tested at least once a year for impairment.

For company acquisitions, the purchase price can be earnings dependent. The calculation is then based on future profit and hence the total purchase price. On a quarterly basis, an assessment is made as well as an adjustment of the expected purchase price. Changes in the item in question are recognized in profit or loss.

Intra-Group balances and unrealized internal gains are eliminated in the Consolidated Accounts. When eliminating internal transactions, accounts is also taken of the tax effect on the basis of nominal tax rates in each country.

Exchange rates

TRANSLATION OF FOREIGN OPERATIONS

All of the assets and liabilities of foreign Group companies are translated at the closing day rate, while all items in the income statements are translated at the average rate for the financial year. The exchange rate differences arising in this context are partly an effect of the differences between the income statements' average rates and closing day rates, and partly of the fact that net assets are translated at a different rate at the end of the year than at the beginning of the year. Translation differences are recognized in the Statement of Comprehensive Income.

EXCHANGE RATES

The following exchange rates have been used in the translation of foreign operations:

	Average rate		Closing day rate	
Currency	2019	2018	2019	2018
EUR	10.56	10.25	10.47	10.21
HKD	1.20	1.11	1.20	1.14
NOK	1.07	1.06	1.06	1.03
GBP	12.04	11.56	12.31	11.36
USD	9.42	8.69	9.34	8.92

EFFECTS OF ALTERED EXCHANGE RATES

Receivables and liabilities in foreign currencies are translated at the closing day rates and unrealized exchange gains and losses related to operations are included in operating result. Exchange rate differences related to non-operational items, such as cash and cash equivalents and bank loans, are recognised in net financial income/expense.

Revenue from contracts with customers

Doro's revenues includes product sales of mainly telephone handsets and alarm devices and sales of alarm services. Product sales are recognised when control of a good or service transfers to a customer, which usually occurs on delivery. Doro has discount agreements with most customers. Contracted discounts reduce sales revenue in the period the sale is recognised. The Group's commitment to repair or replace defective products, in accordance with normal warranty conditions, is provided for.

The services are normally offered as a package deal for a contracted period including alarm device, alarm services and communication between the alarm device and the alarm receiving centre. The package deal includes a number of performance obligations and transaction price is allocated to each performance obligation based on stand alone, observable sales prices. Revenues relating to services, such as alarm services and communication, are recognised in the period when services are rendered. When the offered package deal includes hardware, it is analyzed for each delivery if the hardware part should be classified as a financial lease or an operating lease. The classification affects the time of delivery of the performance obligation. For deliveries classified as financial lease, the revenue is recognized when the hardware is delivered to the customer. For deliveries classified as operating lease, the revenue is recognized over the rental period.

Employee benefits

Employee remuneration is reported as salaries earned and paid plus vested bonus. Accrued holiday pay and social security contributions are recognized as accrued expenses.

Pensions

The predominant share of Doro's obligations towards employees consists of various defined-contribution pension plans.

A defined-contribution pension plan is a pension plan according to which the Group pays fixed fees to a separate legal entity. The Group has no legal or informal obligations to pay further fees if this legal entity lacks sufficient funds to pay all remuneration to employees associated with the employees' service during current or previous periods.

For defined-contribution pension plans, the Group pays fees to publicly or privately managed pension insurance plans on a compulsory, contractual or voluntary basis. The Group has no further payment obligations once these fees have been paid. The fees are recognized as personnel costs when they become due for payment. Prepaid fees are recognized as an asset to the extent that cash repayment or reductions in future payments may accrue to the Group.

In addition, a limited number of employees at the Group's French and UK subsidiaries have defined-benefit pension plans. A defined-benefit pension plan is one that is not a defined-contribution plan. Characteristic of defined-benefit plans is that they specify an amount for the pension benefit to be received by an employee following retirement. This is normally based on one or more factors such as age, period of service and salary. All obligations for which provisions are made are assessed by an actuary to determine the amount of the provision. The liability recognized in the Balance Sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period.

Research and development

Product development is conducted in collaboration with various manufacturing partners and most expenditure is borne by them. Doro works in an environment of rapid technological progress. Product development refers to expenditure for product adaptations, design, model approval, etc.

Expenses relating to the development phase are capitalized as an intangible asset if it is likely, with a high degree of reliability, that they will result in future financial benefits for the Group. This means that strict criteria must be met before a development project results in intangible assets being capitalized. Such criteria include the option of ending a project, proof that a project is technically feasible and that a market exists, and that there is an intention and opportunity to use or sell the intangible asset. There must also be an opportunity to reliably measure expenses during the development phase.

External partners' moulds for manufacturing products are, however, owned by Doro and expenditure for them is capitalized and depreciated according to plan if the lifespan of the product is expected to exceed one year. Doro has no research expenses.

Property, plant and equipment and intangible fixed assets

Property, plant and equipment and intangible fixed assets are recognized at historical cost less accumulated depreciation/amortization according to plan, except goodwill and rented premises, which are not amortized in the Group.

Financial instruments

INVESTMENTS

The Group classifies its investments in debt instruments into three categories, which are amortised cost, fair value through other comprehensive income and fair value through profit and loss. The classification is made according to IFRS 9 standard, based on the business model and contractual cash flow characteristics of debt instruments. Management determines the classification of its investments at the time of the purchase. Investments in debt instruments for which the business model objective is to hold the financial instruments to collect contractual cash flows and those cash flows are solely payments of principal and interest, are classified as amortised cost and presented in current and non-current assets. Purchases and sales of financial instruments are recognised based on trade date accounting, which is the date on which the Group commits to purchasing or selling the financial instrument. Financial instruments are derecognised when the rights to receive or the cash flows from the financial instruments have expired or have been transferred and the Group has substantially transferred all risks, rewards and obligations of the ownership of the financial asset or liability.

LOAN RECEIVABLES

Loan receivables are debt instruments with fixed or determinable payments that are not quoted on an active market. They are recorded initially at fair value and subsequently measured at amortised cost. Loss allowance for expected credit losses is calculated based on the simplified method. According to the simplified method, the calculation is based on the expected losses of the receivables full term. In the calculation the receivables are grouped based on number of days delayed. Interest income on loan receivables is included in Financial income and expense. Loan receivables with a maturity less than 12 months are included in current assets under interest-bearing receivables and those with maturities greater than 12 months, in non-current loan receivables.

DEBT

Debt is recognised initially at fair value, net of transaction costs incurred. In subsequent periods, it is stated at amortised cost using the effective interest method; any difference between proceeds, net of transaction costs, and redemption value is recognised in the Consolidated income statement over the period of the borrowings. Interest expenses are accrued for and recorded in the Consolidated income statement for each period. Debt with an original maturity greater than 12 months is classified as non-current debt in the Consolidated statement of financial position, though repayments falling due within 12 months are presented in current liabilities under the current portion of non-current debt. Short-term commercial paper, bank and other interest-bearing borrowings for which the original maturity is less than 12 months are presented in current liabilities under interest-bearing liabilities.

FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

Derivative financial instruments and hedge accounting

Financial derivatives are initially recognised in the Consolidated Statement of Financial Position at fair value and subsequently measured at their fair value at each reporting date, though the method of recognising the resulting gains or losses is dependent on the nature of the item being hedged. When derivative contracts are entered into, the Group designates them as either hedges of highly probable forecast transactions or firm commitments (cash flow hedges), hedges of the exposure to changes in the fair value of recognised assets or liabilities (fair value hedges), hedges of net investments in foreign entities or derivative financial instruments not meeting the hedge accounting criteria in accordance with IFRS 9.

At the inception of a hedge, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking various hedging transactions. This process includes linking all financial instruments designated under hedge accounting to specific assets and liabilities or to specific firm commitments or highly probable forecast transactions in order to verify and document hedge relationship between the hedged item and the hedging instrument as required by IFRS 9. For operational cash flow hedging purposes, foreign currency forwards and options are denominated in the same currency as the highly probable forecast transactions resulting in a hedge designation where critical terms of the hedging instrument and the hedged item will coincide. The Group also documents its qualitative prospective assessment at the hedge inception of whether the derivatives used in a hedge relationship are highly effective in offsetting changes in fair value or cash flows of hedged items. Hedge effectiveness will be assessed in accordance with IFRS 9 requirements.

Cash flow hedges

Changes in the fair value of derivatives designated and qualifying as cash flow hedges, and which are effective, are recognised in cash flow hedges reserve within OCI, the movements of which are disclosed in the Consolidated Statement of Comprehensive Income. In case of currency options, the time value of an option is excluded from the hedge designation and only the intrinsic value component of an option is designated as the hedging instrument. The changes in option time value are recognised in cost of hedging reserve within OCI. The cumulative gain or loss of a derivative deferred in equity is transferred to the Consolidated Income Statement and classified as income or expense in the same period in which the hedged item affects the Consolidated Income Statement. Realised results of hedge accounted derivative instruments hedging foreign currency sales transactions or purchases are booked as adjustments to sales or materials and services depending on the nature of the underlying hedged item.

In respect of hedges of exposures to foreign currency risk of future transactions resulting in the recognition of non-financial assets, the gains and losses deferred to cash flow hedges reserve within OCI are transferred from equity to be included in the initial acquisition cost of the non-financial asset at the time of recognition. The deferred amounts are ultimately recognised in the Income Statement through depreciation over the lifetime of the non-financial assets. When a hedging instrument expires or is sold, terminated or exercised or no longer meets the hedge accounting criteria under IFRS 9, any cumulative gain or loss deferred in equity at that time remains in equity and is accounted for as an adjustment to income or expense when the committed or forecast transaction is ultimately recognised in the Consolidated Income Statement. However, if the underlying forecasted transaction is no longer expected to occur, the cumulative gain or loss reported in equity from the period when the hedge was effective is immediately recognised in the Consolidated Income Statement.

Impairment

At least at every year-end at the close of accounts, an assessment is made as to whether there is any indication of impairment of the carrying amounts of the Group's assets. When there is such an indication, the recoverable amount of the asset is measured. The recoverable amount is the greater of an asset's net realizable value and its value in use. When establishing value in use, present value measurement is performed for estimated future payments that the asset is expected to generate during its useful life.

In present value measurement, an interest rate before tax is used for the purpose of the measurement that reflects the current market interest rate and the risk attributable to the asset. If the recoverable amount is less than the carrying amount, the asset is impaired to its recoverable amount.

Reversals of impairment are recognized if there are no grounds for such impairment, except for goodwill. Impairment and reversals of impairment are recognized in profit or loss.

At least once a year, an assessment of forecast future earnings and cash flow trends is made with regard to goodwill, capitalised expenditure for ongoing development projects and leasehold rights on premises. When the carrying amount exceeds the recoverable amount, it is impaired.

Depreciation of property, plant and equipment

Depreciation according to plan is on a straight-line basis on the historical cost of the asset category and the estimated useful life:

Equipment and tools	2–5 years
Rental equipment etc	5 years

Amortization of intangible assets

Intangible assets are amortized over their estimated useful life. For capitalized product development, amortization commences as of market launch of the product in question. Amortization according to plan is on a straight-line basis on the historical cost of the asset category:

Capitalized expenditure for development work	1–3 years
Trademarks and brands	1–5 years
Customer register and distribution agreements	3–7 years

Leases

The Group has changed lease accounting principles for lessees. Doro leases offices, premises, office equipment and vehicles. Lease terms are negotiated separately for each lease agreement and contains many conditions. As from 1 January 2019, lease agreements are recognized as right-to-use assets with a corresponding liability, from the point in time the leased assets can be used by the Group. Assets and liabilities derived from lease agreements are recognized at fair value. Leasing liabilities includes the fair value of the following lease payments:

- fixed fees reduced by any benefits related to the signing of the lease agreement, variable fees depending on an index or a price, initially valued on basis of an index or a price at commence date
- amounts expected to be paid by the lessee due to guaranteed residual value
- exercise price for a buy option if the Group is reasonably convinced that the buy option will be used
- penalty fees to be paid at termination of a lease agreement if the lease term reflects that the Group will use the opportunity to terminate the lease agreement.

Lease payments for extension periods that are reasonably certain are also included in the valuation of the liability. Lease payments are measured at the present value using the implicit interest rate of the lease agreement. If this interest rate cannot be easily established, which normally applies for the Group's lease agreements, the lessees incremental borrowing rate is used. The incremental borrowing rate is the interest rate the lessee would have to pay to lend the funds to buy an asset of similar value as the right-to-use asset in a similar economic environment with similar conditions and securities.

Lease payments are split between amortization of leasing liability and interest expense. The interest expense is recognised in the income statement over the lease term applying a fixed interest rate on the leasing liability in each period. The right-to-use assets are valued at acquisition cost which includes the following:

- the original value of the leasing liability
- lease fees paid at or before the commence date, after deduction of any benefits received when signing the lease agreement
- start-up expenses
- cost to restore the asset as prescribed in the lease agreement

Right-to-use assets are normally depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. If the Group is reasonably certain that a buy option will be exercised, the assets are depreciated over the underlying asset's estimated use life. Short contracts are agreement with a lease term shorter than 12 months. Contracts of lower value mainly includes IT equipment and office furniture.

Until 31 December 2018, leases of tangible fixed assets were classified as either finance or operating leases. Finance leases existed when the financial risk and benefits associated with the ownership were essentially transferred to the lessee. If the risks and benefits stayed with the lessor, the leases were classified as operating leases. Finance leases mainly refer to the lease of alarm devices to public sector customers. The Group have not been required to make adjustments as a consequence of the implementation of IFRS 16 when the Group is the lessor. See also Revenues from customer contracts above.

Inventory
Inventories are measured at the lower of cost (in accordance with the first-in, first out principle—FIFO) and net realizable value (in accordance with the lowest value principle). Cost is calculated for each delivery.

Technological development is rapid and prices fall regularly. Impairment of inventory is recognized according to a model whereby older inventory gives greater impairment. Different product groups have varying rates of impairment. The net sales value is defined as the selling price less selling expenses. Impairment to the net realizable value includes impairment due to technological and commercial obsolescence made in the Group company in question.

Provisions
Provisions are defined as liabilities that are uncertain in term of amounts or time of settlement. A provision is recognized when there is an undertaking ensuring from a transpired event, it is probable that an outflow of resources will be required in order to settle the undertaking and that the amount can be reliably estimated. Pensions, guarantee commitments, disputes and additional expenses are recognized as provisions in the Balance Sheet.

Warranties and repairs
Provisions are made for estimated repair expenditure and losses of margins regarding goods that may be returned within the warranty period (between one and two years from the sale to the end user).

A statistical program has been developed that captures outcomes regarding the time at which products are sold until they are returned, the proportion that is repaired, scrapped, compensated for through product exchange of crediting as well as cost for checking, repairs (including parts) and transport. In the event of variances (mainly in the share of returned products), warranty provision requirements are changed. The total warranty reserve is classified as current liabilities as majority of guarantees falls within one year.

Taxes
All tax expected to be payable on reported profit is recognized in the Income Statement. Such taxes have been computed according to each country's tax regulations and are recognized under the item tax on profit for the year.

The Group's total tax in the Income Statement consists of current tax on taxable profits for the period, and deferred tax. Deferred tax mainly consists of changes in deferred tax assets with respect to loss carry-forwards and for tax purposes and other temporary differences.

The Group uses the balance sheet method for calculating deferred tax assets and liabilities. According to the balance sheet method, computation is based on tax rates on the closing date applied to temporary differences between an asset or liability's value in terms of accounting and taxation, and loss carry-forwards for tax purposes. Deferred tax assets are recognized in the Balance Sheet only to the extent of value that can probably be utilized within the foreseeable future. An individual assessment is performed of the situation for companies in each country.

Cash flow statement
Cash flow statements are prepared using the indirect method, which means that profit/loss after financial income/expense is adjusted for transactions that did not entail incoming and outgoing payments during the period, and for income and expenses relating to the cash flow of investment activities.

Cash and cash equivalents
Cash and equivalents comprise cash, bank balances and current investments.

Share warrants
On the sale of share warrants, the purchase consideration received is recognised as an increase in Other paid-up capital. On the repurchase of share warrants, the purchase consideration is recognised as a reduction in other paid-up capital.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting presented to the chief operating decision maker of the Group. The chief operating decision maker is the function responsible for the allocation of resources and the assessment of the segments' earnings. For Doro, this function has been identified as the CEO. For more information about Doro's segment reporting, see Note 2.

Classification

The balance sheet items entitled current assets and current liabilities are expected to be re-covered or paid within a twelve-month period. All other balance sheet items are recovered or repaid later.

Critical accounting matters and uncertainty in estimates

In their preparation of Doro's Consolidated Accounts, the Board of Directors and the CEO, besides estimates made, have made a series of judgments regarding critical accounting matters that can significantly affect the amounts recog-nized. These relate to the following:

GOODWILL MEASUREMENT

When testing carrying amounts of goodwill for impairment, assumptions are made about the future expected profit and cash flow trend for the lowest possible cash-generating unit. This is described in more detail in -
Note 7.

DEFERRED TAX RELATED TO LOSS CARRY-FORWARDS

When measuring deferred tax assets, an assess-ment of future surpluses for tax purposes of each company is made, and thereby of the ability to utilize the loss carry-forwards. The size of the loss carry-forwards is detailed in Note 17.

CREDIT RISKS IN ACCOUNTS RECEIVABLE

Individual assessments are made when evaluating credit risks in accounts receivable. The assess-ment is based on past payment capacity and oth-er information. Doro has in the past had very low realized bad debt losses, but is active in follow-up. Refer to Note 23 for more information.

MEASUREMENT OF INVENTORY

Measurement of inventory is based on an inventory turnover model. In addition, individual assessments are performed based on past sale statistics and sales forecasts compared with product volumes in inventory and in production with suppliers.

CHANGES IN ACCOUNTING POLICIES

As described above the Group has implemented this standard using the cumulative catch-up method as from 1 January 2019, which means that the cumulative effect is recognised on the implementation day. In accordance with the transition regulation comparative figures for 2018 have not been restated. Reclassifications and adjustments following the adoption of the new leasing standard are recognized in the opening balance 1 January 2019. Following the implementation of IFRS 16, the Group recogni-ses leasing liabilities related to lease agreements that were previously classified as operating lea-ses according to the regulations in IAS 17 Leases. The liabilities are valued measured at present value of the remaining lease fees. The lessees incremental borrowing rate as per 1 January 2019 has been used in the calculation. Right-to-use assets and leasing liabilities have been added as new lines in the consolidated balance sheet. Prior to 2019 they were reported as off-balance. Payments to lessors was reported as cash flow from operating activities. Amortisation of leasing liabilities are now reported as cash flow from financing activities. Interest expenses for leasing liabilities are reported separately form deprecia-tion of right-to-use assets. Interest expenses for leasing liabilities are reported as financial cost.

At implementation of IFRS 16, the Group applied the following practical expedients:

- The same discount rate has been used for lease agreements with similar conditions
- A lessee can use its assessment whether a lease agreement is loss-making as an alter-native to carry out an impairment test. There were no loss-making lease agreements as per 1 January 2019
- Operating leases with a remaining lease term of less than 12 months as per 1 January 2019 has been reported as short-term leases
- Direct acquisition costs for right-to-use assets have been excluded at the transition, and
- Hindsight have been used to determine the lease term when there is an option to extend or terminate a lease agreement

The Group has also applied the possibility not to reassess if an agreement is or includes a lease agreement as per transition date. The assessment made based on IAS 17 and IFRIC 4 Determining whether as arrangement contains a lease has been used on lease agreement signed before transition. The average incremental borrowing rate for leasing liabilities recognized on transition date amounted to 2.5%. Under IAS 17 operating leases were not recognized in the balance sheet of a lessee. Future undiscounted minimum lease payments obligations were how-ever disclosed in a note, see note 4 in the annual report for 2018, to an amount of 82.5 million SEK. The leasing liability reported in the balance sheet as per 1 January 2019 amounts to 69.6 million SEK. The difference relates to:

- Discounting effect of the leasing liability rec-ognised in the balance sheet at transition date using the average incremental borrowing rate of 2.5% amounts to minus 4.1 million SEK
- Low-value lease agreements and lease agree-ments with a shorter term than 12 months amounts to 8.8 million SEK.

IFRS 16 effect on the opening balance:

- Right-to-use assets: 69.6 million SEK
- Non-current leasing liabilities: 53.0 million SEK
- Current leasing liabilities: 16.6 million SEK
- Shareholders' equity: 0.0 million SEK

PARENT COMPANY

Impairment of participation in Group companies and impairment reversals

Participations in Group companies are measured at historical cost. If the recoverable amount (see section above entitled "impairment") should prove to be lower, there is an impairment. Impairment of the value of participations in subsidiaries is reversed when there are no longer grounds for such impairment.

Financial instruments

The parent company applies fair value account-ing for financial instruments in accordance with Annual Accounts Act Chap 4:14.

Leasing

Lease fees are recognized as operating expens-es. Information concerning remaining lease fees under lease contracts is disclosed in Note 4.

Note 2 Net sales per segment and category and other income and expenses

	Group		Parent company	
Net sales	**2019**	**2018**	**2019**	**2018**
Net sales of products	1,688.5	1,621.0	1,409.7	1,331.2
Net sales of services	374.5	285.4	156.3	152.7
Total	**2,063.0**	**1,906.4**	**1,566.0**	**1,483.9**

	Group		Parent company	
Other income and expenses	**2019**	**2018**	**2019**	**2018**
Gain on sale of fixed assets	0.1	0.1	0.0	0.0
Other income	2.8	2.5	0.1	0.5
Other expenses	-0.8	0.0	-0.7	0.0
	2.1	**2.6**	**-0.6**	**0.5**

Segment reporting (According to IFRS 8)

Doro is recognized as a functional organization. The functional matrix structure provides a focused support for the organization and these services will be shared amongst the various products, geographical regions and distribution channels (private and public customers). The regions are responsible for the regional sales and reports to the Vice President Consumer and Vice President Public Care. Doro's operations has been integrated as one reporting segment with a common strategy and common profit control as well as cost budget and investment budget.

The Doro business is one reporting segment and the financial information is analyzed and reviewed by the executive chief operating decision maker as one segment in the assessment of Doro's performance. The most important measure to control the business is EBIT.

The location of the customers forms the basis of sales by region.

No single customer amounts to more than 10% of Net sales.

All significant tangible and intangible fixed assets are controlled by the Swedish parent company.

Net sales per region	**2019**	**2018**
Nordic	573.4	546.5
West and South Europe and Africa	432.4	433.3
Central- and Eastern Europe	473.4	475.8
UK and Ireland	371.6	300.3
North America	215.6	152.9
Rest of the World	4.3	7.5
Other	-7.7	-9.9
Total	**2,063.0**	**1,906.4**
whereof Sweden	394.7	375.8

Note 3 Intra Group transactions

Of the Parent Company's invoicing SEK 158.5m (152,8) relates to subsidiaries. Invoicing from subsidiaries to the Parent Company amounted to SEK 86.5m (86,1).Invoicing between subsidiaries amounted to SEK 0m (0).

Note 4 Leases

Leasing where the Group is lessee

In the balance sheet the following amounts relate to leasing agreements.

	The Group	
Right-to-use assets	**2019**	**Jan 1, 2019**
Premises	54.8	59.6
Vehicles	3.9	4.7
Other	3.9	5.3
Total	**62.6**	**69.6**

	The Group	
Leasing liabilities	**2019**	**Jan 1, 2019**
Current	20.0	16.6
Long-term	42.6	53.0
Total	**62.6**	**69.6**

New Right-to-use assets during 2019 amounted to 8.8m SEK.

In the income statement the following amounts relate to leasing agreements.

	The Group	
Depreciation of Right-to-use assets	**2019**	**2018**
Premises	-13.7	0.0
Vehicles	-2.4	0.0
Other	1.4	0.0
Total	**-17.5**	**0.0**
Interest expenses (included in Financial expenses)	-1.7	0.0
Expenses related to leasing with a lease term of less than 12 months, leasing at low value and variable lease payments not included in leasing liability (included in operating expenses)	-5.0	0.0

Total cashflow related to leasing agreements during 2019 was 24.2m SEK.

Operational leasing where the Group is lessee

Costs for operational rental and leasing charges during 2018 amount to SEK 22.7m. Agreed future rental and leasing costs fall due for payment as shown below.

Operational leasing	The Group 2018
Within 1 year	19.3
Within 2 to 5 years	47.2
Later than 5 years	16.0
Total	**82.5**

Leasing where the Group is lessor

The Group has financial lease out of alarm devices to customers in the public sector. The lease term is normally 12 to 24 months with an option of additional 12 to 24 months. No provision for bad debts has been recorded as customers in the public sector are considered to be financially sound.

Agreed future leasing revenue are due as shown below.

	The Group	
Financial leasing	2019	2018
Within 1 year	5.1	5.4
Within 2 to 5 years	5.2	6.9
Later than 5 years	0.0	0.0
Total	**10.3**	**12.3**

Note 5 Employees

Average number of employees	2019	Of whom men	2018	Of whom men
Parent Company	207	103	203	97
Other companies Sweden	0	0	0	0
Norway	78	50	78	44
United Kingdom	344	109	104	44
France	22	9	22	9
Hong Kong	10	8	9	7
Germany	45	31	52	36
Italy	3	3	2	2
Total	**709**	**313**	**470**	**239**

Salaries and remuneration

Salaries, remuneration, social charges and pension cost have appeared with the following amounts:

	The Group		Parent company	
	2019	2018	2019	2018
Salaries and other remuneration	285.9	233.8	104.5	99.2
	285.9	**233.8**	**104.5**	**99.2**
Payroll overheads excluding pension costs	58.3	54.7	36.0	34.3
	58.3	**54.7**	**36.0**	**34.3**
Pension costs	22.6	22.8	13.0	13.8
of which premium-based	18.4	21.4	13.0	13.8
	22.6	**22.8**	**13.0**	**13.8**

Gender of senior managers	2019, total	Women, %	2018, total	Women, %
Board	6	50	7	30
Group Management	6	15	8	22

Salaries and remuneration including board fee breakdown between board managers, CEO and other employees

	2019		2018	
	Board and CEO	Other employees	Board and CEO	Other employees
Sweden	11.1	95.0	5.7	94.9
Norway	0.0	44.1	0.0	42.2
United Kingdom	0.0	81.2	0.0	40.2
France	0.0	17.1	0.0	14.6
Germany	0.0	26.5	0.0	29.5
Hong Kong	0.0	7.2	0.0	5.9
Italy	0.0	3.1	0.0	2.9
Total	**11.1**	**274.2**	**5.7**	**230.2**

Management remuneration (SEK k)

The Board 2019	Fees	Pension	Other remu-neration	Total
Chairman of the Board	550	0	0	550
Other Board members	1,133	0	0	1,133
Total	**1,683**	**0**	**0**	**1,683**

Chairman of the board Johan Andsjö, who left the board on the AGM May 3, 2019 received SEK 150k. Chairman of the board Lennart Jacobsen, who joined the Board on the AGM May 3, 2019 received SEK 400k. Vice Chairman of the Board Henri Österlund received SEK 333k. Josephine Salenstedt and Niklas Savander each received SEK 250k. Lena Hofsberger and Jonas Mårtensson, who left the Board at the AGM May 3, 2019, received SEK 67k. Tova Jexmark who joined the Board on the AGM May 3, 2019 received SEK 167k.

Senior Executives 2019	Salary	Bonus and variable remuneration	Pension	Other benefits	Total
Carl-Johan Zetterberg Boudrie (CEO from 13 May 2019)	1,685	986	562	50	3,283
Robert Puskaric (CEO until 13 May 2019)	5,271	1,498	1,617	143	8,530
Other senior executives	7,597	1,477	1,754	326	11,155
Total	**14,554**	**3,961**	**3,933**	**519**	**22,968**

The amounts include salaries and remunerations to employed senior executives. In 2019, the company's former CEO received a salary of SEK 5,271k, which includes severance pay of SEK 3,700k. In 2019 the management team has had 6 members. In addition to salaries and remunerations to employed senior executives the Group has paid consultant fees to temporary senior executives amounting to SEK 1,273k.

The Board 2018	Fees	Pension	Other remuneration	Total
Chairman of the Board	450	0	0	450
Other Board members	1,033	0	0	1,033
Total	**1,483**	**0**	**0**	**1,483**

Vice Chairman of the Board Henri Österlund received SEK 300k. Jonas Mårtensson and Lena Hofsberger each received SEK 200k. Karin Moberg, who left the Board at the AGM April 27, 2018, received SEK 67k. Niklas Savander and Josephine Salenstedt who joined the Board on the AGM April 27, 2018 received SEK 133k each.

Senior Executives 2018	Salary	Bonus and variable remuneration	Pension	Other benefits	Total
Robert Puskaric (CEO)	3,700	486	1,166	146	5,498
Other senior executives	10,731	1,195	2,802	441	15,169
Total	**14,431**	**1,681**	**3,968**	**587**	**20,667**

The amounts include salaries and remunerations to employed senior executives. In 2018 the management team has had 8 members. In addition to salaries and remunerations to employed senior executives the Group has paid consultant fees to temporary senior executives amounting to SEK 236k.

Principles

Fees are paid to the Chairman and other Board members in accordance with decisions made by the AGM. Payment for work on the boards of subsidiaries is made separately. Remuneration to the CEO and other senior executives comprises a basic salary, variable remuneration, other benefits (primarily a company car) and pension premiums. The balance between basic salary and variable remuneration should be in proportion to the executive's responsibilities and authorities Average number of senior executives in the management team in 2019: 6 (8).

Pensions

The retirement age for CEO and other senior executives of the Group is 65 and pensions are usually paid in accordance with the general pension plan plus full remuneration for the entire amount of salaries according to the ITP/ITPK plans. All pension benefits are irrevocable,i.e. not dependent on continued employment. The retirement age for the CEO is 65 years. No agreements have been signed concerning pension commitments or the equivalent, more than is mentioned in the periods of notice mentioned above, whether for board members or senior executives. Pension schemes for senior executives are substantially premium-based with premiums of SEK 3.9m (4.0) paid.

Notice

If notice is served by the company or by the CEO himself, the period of notice is one year. The CEO has the right to salary over 12 months during the period of notice. No severance pay will be paid if notice is given by CEO. Other senior executives have agreement of salary during notice between 3 and 9 months.

Nominations and decision-making processes

These procedures are explained in the Directors' Report.

Share-related compensation & Options

At the AGM on April 27, 2018 it was decided to issue maximum 1,000,000 warrants to senior executives and key employees within the Doro Group. The warrants were sold to the participants at market value calculated according to the Black&Scholes model. The valuation of the warrants was carried out by an independent valuer. Each warrant gives the holder the right to buy one Doro AB share during the two-week period following the announcement of the second or the third interim report 2021 to a share price of SEK 63.80. To incentive participation in the warrant program, Doro made a one time bonus payment to the participants that after taxes amounts to each participants full acquisition cost for the warrants. Total cost for the one-time bonus, SEK 7,388k, is recognised over the term of the warrant program. At the starting point, the participants subscribed 679,932 warrants. During 2018, another 40,000 option were subscribed and 70,000 options were repurchased. During 2019, 250,000 options were repurchased.

Note 6 Interest and similar items

	The Group		Parent company	
Income	**2019**	**2018**	**2019**	**2018**
Interest income, external	0.5	0.2	0.2	0.0
Interest income, internal	0.0	0.0	5.9	5.4
Exchange rate gain	5.4	5.2	5.4	5.1
Dividend from subsidiaries	0.0	0.0	10.4	0.0
Total	**5.9**	**5.4**	**21.9**	**10.5**
Expenses				
Interest expenses, external	-7.0	-4.6	-5.0	-4.2
Interest expenses, internal	0.0	0.0	-0.7	-0.6
Exchange rate losses	-3.5	0.0	-3.4	0.0
Write-down of shares in subsidiaries	0.0	0.0	-11.0	0.0
Other	-0.2	-0.1	0.0	-0.1
Total	**-10.7**	**-4.7**	**-20.1**	**-4.9**
Financial net	**-4.8**	**0.7**	**1.8**	**5.6**

Note 7 Intangible fixed assets

Group/ Goodwill	**2019**	**2018**
Acquisition value brought forward	**465.9**	**375.3**
Acquisitions	34.3	87.9
Exchange rate difference	13.3	2.7
Closing accumulated cost	**513.5**	**465.9**

Group / Customer register and distribution agreements	**2019**	**2018**
Acquisition value brought forward	**78.7**	**46.2**
Acquisitions	4.9	32.2
Exchange rate difference	3.5	0.3
Closing accumulated acquisition value	**87.1**	**78.7**
Amortisations brought forward	**-43.6**	**-34.7**
Amortisation	-10.2	-8.2
Exchange rate difference	-1.0	-0.7
Closing amortisations	**-54.8**	**-43.6**
Closing residual value	**32.3**	**35.1**

Parent company / Goodwill	**2019**	**2018**
Acquisition value brought forward	**224.5**	**224.5**
Closing accumulated acquisition value	**224.5**	**224.5**
Amortisations brought forward	**-38.3**	**-25.8**
Amortisation	-12.4	-12.5
Closing amortisations	**-50.7**	**-38.3**
Closing residual value	**173.8**	**186.2**

Parent company / Customer register	**2019**	**2018**
Acquisition value brought forward	**22.9**	**22.9**
Closing accumulated acquisition value	**22.9**	**22.9**
Amortisations brought forward	**-19.6**	**-16.6**
Amortisation	-3.1	-3.0
Closing amortisations	**-22.7**	**-19.6**
Closing residual value	**0.2**	**3.3**

The Group assesses the need for goodwill to be written down on an annual basis or when indications of impairment arise. Impairment testing is applied at the lowest level where separable cash flows can be identified. Since all the Group companies' activities and their contributions are very much dependent on each other there is no breakdown of goodwill.

The recoverable value of the unit has been established based on the current value in use of future cash flows. Future cash flows are estimated on the basis of expected growth rate in accordance with established forecasts for the next five years. These forecasts are based on historical experience, but also takes expected future development into account. Assumptions regarding future growth and profitability are based on external and internal estimates of market growth, past performance and management's assessment of market shares. The WACC discount factor, has been set using the Capital Asset Pricing Model (CAPM). As part of the WACC the risk free interest equivalent to the yield on 10-year government-bonds has been applied with the addition of stock market 's risk premium for small companies. The return requirement has been ascertained based on the optimum capital structure as derived from the capital market. Since the recoverable amount exceeds the carrying amount, no need for impairment is deemed to exist.

Sensitivity analysis

Growth rate after 5 years: In the impairment test Doro used a sustainable growth rate of 2 percent (2). A change in the growth rate from 2 to 1 percent implies no impairment. Discount rate before tax increases by 1 percentage point: In the impairment test Doro used a WACC discount factor of 13.3% (13.0%) before tax. A change of the discount rate to 14.3% implies no impairment.

The Group / Brands	2019	2018
Acquisition value brought forward	**4.2**	**1.9**
Acquisitions	0.0	2.4
Exchange rate difference	0.3	-0.1
Closing accumulated acquisition value	**4.5**	**4.2**
Amortisation brought forward	**-2.1**	**-1.9**
Amortisation	-0.5	-0.3
Exchange rate difference	-0.2	0.1
Closing amortisation	**-2.8**	**-2.1**
Closing residual value	**1.7**	**2.1**

Group / Rented premises	2019	2018
Acquisition value brought forward	**1.8**	**1.8**
Closing accumulated acquisition value	**1.8**	**1.8**
Amortisation brought forward	**0.0**	**0.0**
Amortisation	-0.9	0.0
Exchange rate difference	**-0.9**	**0.0**
Closing accumulated cost	**0.9**	**1.8**

The Group's capitalised expenditure for development work / IT	2019	2018
Acquisition value brought forward	**330.4**	**265.3**
Investments	91.8	80.6
Sales/Disposals/Write-downs	0.0	-15.5
Closing accumulated acquisition value	**422.2**	**330.4**
Depreciation brought forward	**-223.0**	**-187.4**
Depreciation	-43.0	-51.0
Sales/Disposals/Write-downs	-6.4	15.4
Closing depreciation	**-272.4**	**-223.0**
Closing residual value	**149.8**	**107.4**

Parent company / Capitalized expenditure for development work / IT	2019	2018
Acquisition value brought forward	**342.6**	**277.5**
Investments	91.8	80.6
Sales/Disposals/Write-downs	0.0	-15.5
Closing accumulated acquisition value	**434.4**	**342.6**
Depreciation brought forward	**-235.2**	**-199.6**
Depreciation	-43.0	-51.0
Sales/Disposals/Write-downs	-6.4	15.4
Closing depreciation	**-284.6**	**-235.2**
Closing residual value	**149.8**	**107.4**

Note 8 Tangible fixed assets

	The Group		Parent company	
Equipment and tools, SEK m	**2019**	**2018**	**2019**	**2018**
Acquisition value brought forward	**77.6**	**42.6**	**46.9**	**38.0**
Acquisitions	32.3	19.4	8.5	8.9
Acquisitions	2.8	15.6	0.0	0.0
Sales/Disposals	-6.9	-0.4	0.0	0.0
Exchange rate difference	4.6	0.4	0.0	0.0
Closing acquisition value	**110.4**	**77.6**	**55.4**	**46.9**
Depreciation according to plan brought forward	**-36.5**	**-23.6**	**-29.6**	**-24.0**
Depreciation	-18.8	-12.4	-6.4	-5.6
Sales/Disposals	6.5	0.3	0.0	0.0
Exchange rate difference	-1.1	-0.8	0.0	0.0
Closing depreciation	**-49.9**	**-36.5**	**-36.0**	**-29.6**
Closing residual value	**60.5**	**41.1**	**19.4**	**17.3**

Note 9 Participation in Group companies

Subsidiary	No of. shares	%	Book value 2019	Book value 2018
Doro AS	200	100	0.6	0.6
Doro UK Ltd	3,013,400	100	4.2	4.2
Doro SAS	66,667	100	11.6	11.6
Doro Hong Kong Ltd	4,500	100	5.1	5.1
Doro Inc	3,000	100	0.0	0.0
Doro Incentive AB	50,000	100	0.1	0.1
Doro Deutschland GmbH	1	100	0.2	0.2
IVS Industrievertretung Schweiger GmbH[1)]	9,239	33.33	46.5	46.5
Doro S.R.L	1	100	0.1	0.1
Aldebaran SAS	275,000	100	5.2	5.2
Doro Care Trygghetsjour AB	2,500	100	0.3	11.3
Doro Care Sales UK Limited	1	100	0.0	0.0
Doro Care GmbH	1	100	2.0	2.0
Doro Care AS	242,294	100	31.3	31.3
Greencoat House Ltd	334,448	100	139.2	137.1
– Wealden and Eastbourne Lifeline Ltd				
– Invicta Telecare Ltd[2)]				
Total			**246.3**	**255.2**

1. IVS industrievertretung Schweiger GmbH is included in the Group to 100%. Doro AB owns 33,33% and Doro Deutschland GmbH owns 66,67%.
2. Invicta Telecare Ltd was acquired in 2019 and is 100 % owned by Wealden and eastbourne Lifeline Ltd.

	2019	2018
Opening balance	**255.2**	**118.2**
Acquisition	2.1	137.1
Merger of wholly-owned subsidiary	0.0	-0.1
Write-down	-11.0	0.0
Closing balance	**246.3**	**255.2**

Subsidiary – Company reg. no	Registered office
Doro AS – 934210719	Fredrikstad, Norway
Doro UK Ltd – 1180330	Chalfont St Peter, UK
Doro SAS – 309 662 195	Versaille, France
Doro Hong Kong Ltd – 08194263-000-12-98-6	Kowloon, Hong Kong
Doro Inc. – 4706937 810 0 090679976	New York, USA
Doro Incentive AB – 556843-4962	Malmö, Sweden
Doro Deutschland GmbH – HRB75859	Köln, Germany
IVS Industrievertretung Schweiger GmbH – HRB 2040	Amberg, Germany
Doro S.R.L – 08721340969	Milan, Italy
Aldebaran SAS – 504 770 116	Paris, France
Doro Care Trygghetsjour AB – 556569-9740	Malmö, Sweden
Doro Care Sales UK Limited – 7776454	London, UK
Doro Care GmbH – HRB 6783	Taunus, Germany
Doro Care AS – 986616500	Oslo, Norway
Greencoat House Ltd – 08626194	East Sussex, UK
– Wealden and Eastbourne Lifeline Ltd – 08666755	East Sussex, UK
– Invicta Telecare Ltd – 04133585	East Sussex, UK

Note 10 Other current receivables and Prepaid expenses and accrued income

	The Group		Parent company	
Other current receivables	**2019**	**2018**	**2019**	**2018**
VAT receivable	8.3	10.4	7.8	9.1
Cash Flow hedges	3.3	4.3	3.3	4.3
Financial lease receivables	5.1	5.4	0.0	0.0
Other current receivables	5.7	7.6	2.8	6.8
Total	**22.4**	**27.7**	**13.9**	**20.2**

	The Group		Parent company	
Prepaid expenses and accrued income	**2019**	**2018**	**2019**	**2018**
Rent	4.5	1.4	1.5	0.8
Insurance premiums	2.3	1.7	0.5	0.1
Exhibition costs	0.5	2.1	0.3	2.1
IT costs	2.0	1.4	1.2	1.1
Licence costs	0.0	0.2	0.0	0.0
Contract assets	22.4	15.1	3.1	3.4
Other prepaid expenses	3.6	10.0	3.0	7.4
Total	**35.3**	**32.0**	**9.5**	**14.9**

Contract assets includes accrued revenue on customer contracts in the service business when the services are invoiced in arrears.

Note 11 Share capital and dividends

	No. of shares	Voting rights	Class
A shares	24,204,568	1 vote per share	Normal

Share capital

24,204,568 shares (of which 439,030 in own custody) at a quota value of SEK 1.00 per share = SEK 24,204,568.

Dividend

The Board of Directors proposes no dividend for the 2019 financial year.

Warrant program

At the AGM on April 27, 2018 it was decided to issue maximum 1,000,000 warrants to senior executives and key employees within the Doro Group. The warrants were sold to the participants at market value calculated according to the Black and Scholes model. The valuation of the warrants was carried out by an independent valuer. Each warrant gives the holder the right to buy one Doro AB share during the two-week period following the announcement of the second or the third interim report 2021 to a share price of SEK 63.80. To incentive participation in the warrant program, Doro made a one time bonus payment to the participants that after taxes amounts to each participants full acquisition cost for the warrants. Total cost for the one-time bonus, SEK 7,388k, is recognised over the term of the warrant program. At the starting point, the participants subscribed 679,932 warrants. During 2018, another 40,000 option were subscribed and 70,000 options were repurchased. During 2019, another 250,000 option weew repurchased.

Note 12 Overdraft facilities

	The Group		Parent company	
	2019	**2018**	**2019**	**2018**
Approved credit	50.0	0.0	50.0	0.0
Utilized credit	0.0	0.0	0.0	0.0

Note 13 Accrued expenses and prepaid income

	The Group		Parent company	
	2019	2018	2019	2018
Holiday pay liability	20.3	19.1	11.9	11.8
Payroll overheads	10.1	9.9	6.4	6.4
Other staff liabilities	7.6	6.3	0.1	0.0
Accrued Royalty	32.2	45.1	18.2	37.0
Contract liabilities	85.5	73.2	54.9	47.8
Other accrued expenses	53.7	58.9	33.1	36.8
Total	**209.4**	**212.5**	**124.5**	**139.7**

Contract liabilities refers to performance obligations in customer contracts that has been invoiced but not yet delivered and to accrued customer bonuses.

Note 14 Pledged assets for liabilities to credit institutions

The Group and the Parent company has not pledged assets for liabilities to credit institutions.

Note 15 Contingent liabilities

A parent Company guarantee was issued in accordance with section 479 (C) of the UK Companies Act 2006 for the 2019 fiscal year for the UK subsidiaries Doro UK Limited and Doro Care Sales UK Limited. The Parent Company guarantee applies to all outstanding liabilities for the subsidiaries on the closing date until the commitments have been met. The stated subsidiaries have applied the exemption from statutory audit in accordance with section 479(A) of the UK Companies Act 2006.

Note 16 Auditors

The 2019 Annual General Meeting elected Magnus Willfors (PricewaterhouseCoopers AB) to be the auditor of the Parent Company, Doro AB. PwC will carry out the audit of all large entities, except Doro Care AS, for the period of one year.

	The Group		Parent company	
Fees and costs	**2019**	**2018**	**2019**	**2018**
PwC				
Auditing assignments	2.6	1.4	1.4	0.8
whereof to PricewaterhouseCoopers AB	1.4	0.8	1.4	0.8
Auditing outside the assignment	0.0	0.0	0.0	0.0
whereof to PricewaterhouseCoopers AB	0.0	0.0	0.0	0.0
Tax assignments	0.3	0.0	0.0	0.0
whereof to PricewaterhouseCoopers AB	0.0	0.0	0.0	0.0
Other advisory services by auditors	1.9	0.9	1.3	0.9
whereof to PricewaterhouseCoopers AB	1.9	0.9	1.3	0.9
Other				
Auditing assignments	0.3	0.2	0.0	0.0
Auditing outside the assignment	0.0	0.0	0.0	0.0
Tax assignments	0.1	0.0	0.0	0.0
Other advisory services by auditors	0.0	0.0	0.0	0.0
Total	**5.2**	**2.6**	**2.7**	**1.7**

Note 17 Taxes

Taxes on profit/loss for the year	The Group 2019	The Group 2018	Parent company 2019	Parent company 2018
Current tax	-31.9	-34.9	-16.5	-19.7
Deferred tax	2.5	3.4	0.9	0.5
Total tax on profit/loss for the year	**-29.4**	**-31.5**	**-15.6**	**-19.2**

Connection between the tax expense for the year and the reported earnings before tax:

Taxes	The Group 2019	The Group 2018	Parent company 2019	Parent company 2018
Reported profit/loss before tax	**107.3**	**123.0**	**56.6**	**76.2**
Tax at current rate 21,4 %	-23.0	-27.0	-12.1	-16.8
Non-deductible expenses	-4.0	-1.4	-5.7	-2.4
Non-taxable income	0.1	0.2	2.2	0.0
Utilisation of previously unrecognized tax loss carryforwards	2.4	0.0	0.0	0.0
Change in valuation in losses carryforwards	-0.6	1.4	0.0	0.0
Change in valuation of temporary differences	0.0	0.0	0.0	0.0
Tax cost/revenue concerning previous year	-2.6	-3.5	0.0	0.0
Adjustment for tax rates in foreign Group company	-1.7	-1.2	0.0	0.0
Reported tax	**-29.4**	**-31.5**	**-15.6**	**-19.2**

Temporary differences arise in those cases where accounted values of assets or liabilities and their tax value are different. Temporary differences, unutilized losses carry forward and other future tax deductions have led to deferred tax liabilities and tax assets for the following:

Deferred tax asset	The Group 2019	The Group 2018	Parent company 2019	Parent company 2018
Unutilized losses carry forward	5.9	7.3	0.0	0.0
Temporary differences, provisions	14.9	4.1	2.6	1.7
Temporary differences, other	-4.1	-4.9	0.5	0.0
Total reported deferred tax asset	**16.7**	**6.5**	**3.1**	**1.7**

Deferred tax assets are shown for unutilized losses carried forward and temporary differences in the balance sheet, when they are calculated to be used in the near future. A single calculation is made for each company with respect to past earnings trends, future plans and the option of using losses carried forward.

Of the consolidated losses carried forward, SEK 43 m (76) can be used without a time limit being imposed. The remaining losses are in the United Kingdom, France and Norway.

Losses carry forward fall due as follows:	2019	2018
Without limit	43	76
Total	**43**	**76**

Non-accounted deferred tax assets in the balance sheet concerning unutilized taxable losses carry forward amount to:

	The Group 2019	The Group 2018	Parent company 2019	Parent company 2018
	7	**17**	**0**	**0**

Gross changes of deferred taxes	The Group 2019	The Group 2018	Parent company 2019	Parent company 2018
Opening balance	6.5	9.5	1.7	1.4
Tax attributable to the income statement	2.5	3.4	0.9	0.5
Tax attributable to other comprehensive income	0.2	0.6	0.5	-0.2
Acquisitions/Merger	7.5	-7.0	0.0	0.0
Closing balance	**16.7**	**6.5**	**3.1**	**1.7**

Note 18 Acquisitions

Acquisitions 2019

On 2 September 2019, Doro acquired all shares in the British telecare company Centra Pulse and Connect. Acquisition expenses had a negative effect on annual profit of SEK 3.2 million. The purchase price was paid in cash, SEK 35.9 m, of which SEK 16.4 million was related to payment of liability to the previous owner. Goodwill is linked to the strengthened position in the Care area in the United Kingdom, which Centra Pulse and Connect's sales channels provide. At the time of acquisition, the company had about 266 employees. Centra Pulse and Connect had annual sales in 2018 of GBP 6.3 million.

The preliminary figures for the acquired net assets and goodwill are presented below

Fair value	SEK m
Intangible assets	4.9
Tangible fixed assets	2.8
Deferred tax asset	7.5
Inventories	7.1
Current receivables	9.7
Cash and bank	19.3
Pension provision	-42.7
Current liabilities	-3.2
Acquired Net Assets	5.4
Goodwill	30.5
Total purchase consideration	**35.9**
Cash in company acquired	19.3
The acquisition's impact on the Group's cash flow	**16.6**

Acquisitions 2018

On 1 June 2018, Doro acquired the British telecare company Welbeing by purchasing all shares in the parent company of the Welbeing group, Greencoat House Limited. The purchase price was paid partly in cash, SEK 128.9 million, of which SEK 15.2 million related to payment of liabilities to the previous owner, and partly through a directed placement of 449,313 shares, valued at SEK 19.2 million. In 2019 the purchase price has been adjusted by 3.7m SEK, whereof 2.1m SEK has been settled.

Final figures for the acquired net assets and goodwill are presented below.

Fair value	SEK m
Intangible assets	34.6
Tangible fixed assets	15.5
Inventories	0.5
Current receivables	27.1
Cash and bank	18.3
Deferred tax liability	-7.0
Long-term liabilities	-0.3
Current liabilities	-28.6
Acquired Net Assets	60.1
Goodwill	91.6
Total purchase consideration	**151.7**
Directed placement	19.2
Cash in company acquired	18.3
The acquisition's impact on the Group's cash flow	**114.3**

Company acquisition impact on Group cash flow

	The Group	
	2019	**2018**
Welbeing	-2.1	-110.7
Centra Pulse and Connect	-16.6	0.0
	-18.7	**-110.7**

Note 19 Goods for resale

The Group	2019	2018
Opening gross stock	**286.3**	**216.7**
Acquisition	0.5	0.0
Change in gross stock	-15.6	66.6
Exchange rate difference	2.3	3.0
Closing gross stock	**273.5**	**286.3**
Opening write-downs of stock	**-22.3**	**-19.8**
Acquisition	0.0	0.0
Change in write-downs of stock	-6.7	-2.2
Exchange rate difference	-0.1	-0.3
Closing write-downs of stock*	**-29.1**	**-22.3**
Net stock in balance sheet	**244.4**	**264.0**

* Acquisition value for the inventory that write-downs of stock of SEK 29.1m (22.3) relates to is based on inventory book value of SEK 102.5m (72.0).

Parent company	2019	2018
Opening gross stock	**211.6**	**152.2**
Change in gross stock	-9.8	59.4
Closing gross stock	**201.8**	**211.6**
Opening write-downs of stock	**-16.1**	**-12.9**
Change in write-downs of stock	-1.8	-3.2
Closing write-downs of stock*	**-17.9**	**-16.1**
Net stock in balance sheet	**183.8**	**195.5**

* Acquisition value for the inventory reserve of SEK 17.9m (16.1) is based on inventory book value of SEK 102.2m (71.9).

Note 20 Provision for guarantees

	The Group		Parent company	
	2019	2018	2019	2018
Opening balance	**46.1**	**51.5**	**38.6**	**42.8**
Acquisition	0.0	0.0	0.0	0.0
Amount released	-62.9	-67.2	-55.2	-58.2
New provisions	65.0	61.5	56.6	54.0
Exchange rate difference	0.2	0.3	0.0	0.0
Closing balance	**48.4**	**46.1**	**40.0**	**38.6**

Note 21 Liabilities to credit institutes

The Group	2019	2018
Opening balance	**3.2**	**2.6**
Acquisition	42.7	0.0
Amount released	0.0	0.0
New provisions	0.3	0.4
Exchange rate difference	1.6	0.2
Closing balance	**47.8**	**3.2**

Doro has a limited number of employees at the Group's French subsidiary that have a defined benefit pension plan. Since the recognized liability regarding the plan is an insignificant amount, the assumptions on which the actuarial calculations are based are not presented in the Annual Accounts.

The acquisition of Centra Pulse and Connect on 2 September 2019 included a defined benefit pension plan. The share purchase agreement states that Doro will terminate its participation in the pension plan in 2020. In addition to the confirmed value of the pension provision, stated in the share purchase agreement and recorded as pension provision in the Annual Accounts, there is an agreement with the Seller that the Seller will pay the additional cost to terminate the participation in the pension plan, with a cap. There is no indication that this cap will be exceeded. As the pension provision is set to the value Doro will pay when the participation in the pension plan is terminated, no actuarial calcuations are presented.

Note 22 Other allocations

	The Group		Parent company	
	2019	2018	2019	2018
Opening balance	**41.0**	**16.6**	**39.4**	**15.8**
Amount released	-29.4	-17.3	-28.1	-16.9
New provisions	23.9	41.7	23.2	40.5
Closing balance	**35.5**	**41.0**	**34.5**	**39.4**

	The Group		Parent company	
	2019	2018	2019	2018
Additional royalty costs	30.7	33.8	30.8	33.8
Other provisions	4.8	7.2	3.7	5.6
Closing balance	**35.5**	**41.0**	**34.5**	**39.4**

Additional royalty costs

Additional royalty costs include costs that are known but that have not been debited at the time of invoicing and those that are unknown but expected at the time of invoicing. The provision for additional costs is charged against costs for goods sold.

Note 23 Risk Management and Financial Instruments

FINANCIAL RISK MANAGEMENT

The Board of Directors of Doro has adopted a treasury policy that regulates how financial risks are to be identified and managed. Risk Management aims to reduce or eliminate risks. The main objective is to achieve a financial low risk profile.

CREDIT AND COUNTERPARTY RISK

The Group is primarily exposed to credit risk associated with commercial transactions with customers but also in financial transactions. The latter as counterparty risk associated with foreign exchange hedging and issuer risk in potential short-term investments. Credit and counterparty risks are managed centrally by the parent company Doro AB. Financial instruments may only be done with approved banks. Short-term investments may only be done with the counterparty categories government, municipalities and banks. In 2019 there were no short-term investments carried out.

Accounts receivable amounted to SEK 329.7m (332.9) and leasing receivables amounts to SEK 10.3m (12.3). In recent years Doro has experienced low credit losses (less than 0,5 percent of sales) due to the fact that the main customer group is large business with regular trade. The single largest customer accounts for less than 10% of Group sales. In most countries Doro operates without credit insurance.

	The Group	
Age analysis of accounts receivable	**2019**	**2018**
Not yet due	289.7	273.4
Due for payment < 60 days	29.5	55.6
Due for payment > 60 days	30.4	20.6
Total accounts receivable	**349.6**	**349.6**
Expected bad debt losses	-20.0	-16.7
Accounts receivable in the financial statements	**329.7**	**332.9**

Impaired accounts receivable	The Group 2019	2018
Opening balance	**-16.7**	**-6.4**
Expected bad debt losses	0.4	-10.0
Confirmed bad debt losses	-3.2	-0.4
Translation differences	0.0	-0.1
Amount reversed	-0.5	0.2
Closing balance	**-20.0**	**-16.7**

Other receivables

Other receivables including financial lease receivables are not yet due.

LIQUIDITY RISK

At December 31, 2019, the Group had SEK 282.6 m (240.0) in interest-bearing financial liabilities, including financial lease agreements, amounting to SEK 62.6m (0.0). Doro has a Revolving Facility Agreement, amounting to SEK 400m.

At December 31, 2019, Group liquidity amounted to SEK 198.5m (134.2). At year the Group also had an utilized bank overdraft facility of SEK 50.0m.

The overall objective is to meet the short-term financing need from Group operations, while minimizing surplus liquidity. Doro should have a liquidity reserve at minimum SEK 40m.

FOREIGN EXCHANGE RISK

Doro is exposed to foreign exchange risks caused by unfavourable exchange rate fluctuations that may affect sales, earnings and equity. Foreign exchange risk are described below, broken down into transaction exposure and translation exposure.

Transaction exposure

Transaction exposure arises as Doro has sales and purchases in various currencies. Goods are primarily purchased in USD, while sales are commonly in EUR, GBP, USD and the Nordic currencies. In accordance with the treasury policy, forecasted net flows are hedged on a quarterly basis for periods for which the price list is set at between 70 to 90 percent. The hedge horizon can thus vary between three to six months at each point in time. Foreign exchange management is centralised at the finance department of Doro AB, which buys and sells currencies under the treasury policy. Doro applies hed accounting in accordance with IFRS. See Note 1 Accounting principles for further information.

Transaction volumes Outstanding exposure (SEK m) (Before and after hedging)

	Before hedging 2019	After Hedging 2019	Sensitivity at 5% weaker SEK	Before hedging 2018	After Hedging 2018	Sensitivity at 5% weaker SEK
NOK	12.3	12.3	0.6	7.2	7.2	0.4
EUR	212.7	34.7	1.7	197.5	-8.8	-0.4
GBP	76.1	25.6	1.3	62.3	0.4	0.0
USD	-334.0	-103.6	-5.2	-268.9	-74.5	-3.7

The table shows outstanding transaction exposure at year-end for the hedged period. The hedged period as per the end of December refers to flows through the end of May. The net market value for all outstanding currency futures amounts to SEK -5.6m at December 31, 2019, whereof SEK -2.5m refers to transaction exposures recognised as hedge.

Translation exposure

Translation exposure arises when foreign assets and liabilities, as well as the income statements of foreign subsidiaries, are translated into SEK upon consolidation. Doro does not hedge the translation exposure.

At year-end the value of foreign net assets was SEK 306m (308). The breakdown by currency is shown in the table below.

Value of foreign assets	2019	2018
USD	16	12
NOK	14	16
EUR	190	198
GBP	78	76
HKD	7	7
Total	**306**	**308**

INTEREST RATE RISK

Interest rate risk is the risk that the Group's net interest result declines due to rising market interest levels. Doros existing debt portfolio is entirely denominated in SEK and with floating interest rate condition. Average rate of interest during 2019 amounts to 1.01%. If the interest rate would increase by 1 p.p. Doro's financial net would deteriorate by 2.1 SEK m based on the debt position at December 31, 2019.

Term analysis for derivatives and financial liabilities as per December 31, 2019

Group SEK m	Currency	0–3 months	3 months –1 year	1–3 years	3 years or more	Total
Bank loan	SEK			220.0		220.0
Overdraft facility	SEK			50.0		50.0
Futures	EUR	2.2	1.0			3.2
Futures	USD	-5.1	-2.9			-8.0
Futures	GBP	-0.9	0.1			-0.8
Futures	HKD					0.0
Leasing liability	mix		20.0	33.0	9.6	62.6
Accounts payable	mix	229.5				229.5
Total		**225.7**	**18.2**	**303.0**	**9.6**	**556.5**

Financial instruments – fair value

Group 2019	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			329.7	329.7	329.7
Leasing receivable			10.3	10.3	10.3
Other receivable			3.1	3.1	3.1
Derivatives (hedge accounting)		1.7		1.7	1.7
Derivatives (non-hedge accounting)	1.6			1.6	1.6
Assets	**1.6**	**1.7**	**343.1**	**346.4**	**346.4**
Derivatives (hedge accounting)		4.2		4.2	4.2
Liabilities to credit institutions			220.0	220.0	220.0
Leasing liabilities			62.6	62.6	62.6
Accounts payable			229.5	229.5	229.5
Derivatives (non-hedge accounting)	4.7			4.7	4.7
Other liabilities			182.7	182.7	182.7
Liabilities	**4.7**	**4.2**	**694.8**	**703.7**	**703.7**

Group 2018	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			332.9	332.9	332.9
Leasing receivable			12.3	12.3	12.3
Other receivable			1.0	1.0	1.0
Derivatives (hedge accounting)		1.0		1.0	1.0
Derivatives (non-hedge accounting)	3.2			3.2	3.2
Assets	**3.2**	**1.0**	**346.2**	**350.4**	**350.4**
Derivatives (hedge accounting)		1.1		1.1	1.1
Liabilities to credit institutions			240.0	240.0	240.0
Accounts payable			216.8	216.8	216.8
Derivatives (non-hedge accounting)	0.5			0.5	0.5
Other liabilities			205.0	205.0	205.0
Liabilities	**0.5**	**1.1**	**661.8**	**663.4**	**663.4**

Financial instruments – fair value

Parent Company 2019	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			246.7	246.7	246.7
Receivables from Group companies			283.9	283.9	283.9
Other receivables			2.8	2.8	2.8
Derivatives (hedge accounting)		1.7		1.7	1.7
Derivatives (non-hedge accounting)	1.6			1.6	1.6
Assets	**1.6**	**1.7**	**533.4**	**536.7**	**536.7**
Derivatives (hedge accounting)		4.2		4.2	4.2
Derivatives (non-hedge accounting)	4.7			4.7	4.7
Liabilities to credit institutions			220.0	220.0	220.0
Accounts payable			206.7	206.7	206.7
Receivables from Group companies			312.8	312.8	312.8
Other liabilities			124.4	124.4	124.4
Liabilities	**4.7**	**4.2**	**863.9**	**872.8**	**872.8**

Parent Company 2018	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			236.9	236.9	236.9
Receivables from Group companies			266.5	266.5	266.5
Other receivables			6.8	6.8	6.8
Derivatives (hedge accounting)		1.0		1.0	1.0
Derivatives (non-hedge accounting)	3.2			3.2	3.2
Assets	**3.2**	**1.0**	**510.2**	**514.4**	**514.4**
Derivatives (hedge accounting)		1.1		1.1	1.1
Derivatives (non-hedge accounting)	0.5			0.5	0.5
Liabilities to credit institutions			240.0	240.0	240.0
Accounts payable			172.1	172.1	172.1
Receivables from Group companies			291.4	291.4	291.4
Other liabilities			139.7	139.7	139.7
Liabilities	**0.5**	**1.1**	**843.2**	**844.8**	**844.8**

The breakdown of fair value determination is performed at the following three levels:
Level 1: According to quoted prices on an active market for the same instrument.
Level 2: Based on directly or indirectly observable market data not included in Level 1.
Level 3: Based on input date not observable on the market.

Derivates at fair value in the table above have been valued according to Level 2.
For other financial instruments, the carrying amount is a reasonable estimate of fair value.

Note 24 Liabilities to credit institutes

	The Group		Parent company	
Long-term	**2019**	**2018**	**2019**	**2018**
Bank loans	220.0	240.0	220.0	240.0
Total	**220.0**	**240.0**	**220.0**	**240.0**
Short-term				
Bank loans	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**
Total liabilities to credit institutes	**220.0**	**240.0**	**220.0**	**240.0**

The bank loans accrue interest of 1,0 percent + STIBOR (however not lower than 1,0%). All liabilities to credit institutions are denominated in Swedish kronor.

	The Group		Parent company	
Maturity dates of long-term liabilities	**2019**	**2018**	**2019**	**2018**
1 - 2 years	0.0	0.0	0.0	0.0
2 - 5 years	220.0	240.0	220.0	240.0
More than 5 years	0.0	0.0	0.0	0.0
Total	**220.0**	**240.0**	**220.0**	**240.0**

Note 25 Related Party Transactions

No related party transactions during the year, apart from salaries and remunerations in Note 5.

Note 26 significant events after year-end

New CFO

Linda Nilsson was appointed CFO and member of the group management team at the beginning of January. She will take up her position on 23 March.

Covid-19

During the first quarter of 2020 the pandemic Covid-19 broke out and the intensified measures of authorities around the globe to limit the spread and effects have resulted in reduced activities from customers and consumers. In combination with a significantly worsening macroeconomic outlook and uncertainty, Doro expects a negative impact on sales and profit for 2020.

Note 27 Net debt changes

	Other assets	Liabilities related to financing activities				
	Cash and bank/ bank overdraft	**Financial leases due within 1 year**	**Financial leases due after 1 year**	**Liabilities to credit institutions due within 1 year**	**Liabilities to credit institutions due after 1 year**	**Total**
Net Debt December 31, 2018	**-134.2**	**0.0**	**0.0**	**0.0**	**240.0**	**105.8**
Cash flow	-62.4	-17.5			-20.0	99.9
Exchange rate differences	-1.9					-1.9
Effect implementation IFRS 16 Leases		16.6	53.0			69.6
Other items not in cash flow		20.9	-10.4			10.5
Net Debt December 31, 2019	**-198.5**	**20.0**	**42.6**	**0.0**	**220.0**	**84.1**

Note 28 Use of non-international financial reporting standards ("IFRS") measures

Guidelines on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market within the European Union have been issued by ESMA (the European Securities and Markets Authority). These guidelines apply to APMs disclosed when publishing regulated information on or after July 3, 2016. Reference is made in the annual report to a number of non-IFRS performance measures that are used to help investors as well as management analyse the company's operations. Described below are the non-IFRS performance measures that are used as a complement to the financial information that is reported in accordance with IFRS.

Description of financial performance measures that are not used in IFRS

Non-IFRS performance measure	Description	Reason for use of the measure
Restructuring costs	Costs for impairment together with personnel costs in connection with restructuring.	This measure shows the specific costs that have arisen in connection with restructuring of a specific operation, which contributes to a better understanding of the underlying cost level in the continuing operations.
Gross Margin %	Net Sales minus costs of sales of goods and services in percentage of Net Sales.	Gross Margin is an important measure for showing the margin before Personnel expenses and Other external expenses.
Sales growth comparable entities %	Net Sales for the period minus Net Sales for entities acquired during the year minus Net Sales for the corresponding period last year in percentage of Net Sales for the corresponding period last year.	Sales growth for comparable entities shows the Group's organic growth excluding acquired businesses.
Equity/assets ratio	Equity expressed as a percentage of total assets.	A traditional measure for showing financial risk, expressing the amount of restricted equity that is financed by the owners.
Return on average shareholders' equity	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.	Shows from a shareholder perspective the return that is generated on the owners' capital that is invested in the company.
Capital employed	Total assets reduced with non-interestbearing debt and cash and bank balances.	This measure shows the amount of total capital that is used in the operations and is thus one component for measuring the return from operations.
Return on average capital employed	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.	This is the central ratio for measuring the return on the capital tied up in operations.
Number of subscribers	Number of subscribers connected to the alarm receiving centre.	The measure shows the volume of customers in the alarm receiving centre.
Leverage ratio	Interest bearing liabilities divided by Equity.	The measure shows the company's financial risk (interest rate sensitivity).
Dividend yield	Dividend per share divided by the share price at year-end.	Return measure on investment in the company's shares.
P/E ratio	The share price at year-end divided by earnings per share for the year.	Measure on the value of the company's shares.
Capital turnover rate	Net sales divided by the average total assets.	The measure shows how much capital the operation requires.
Cash conversion rate %	Cash flow from operating activities divided by EBIT.	Measures the proportion of profit that are converted to cash flow.

Calculation of financial performance measures that are not defined in IFRS	2019	2018
Capital employed		
Total assets	1,677.5	1,464.4
Non interest-bearing liabilities	565.4	537.5
Cash and bank	198.5	134.2
Reported Capital employed	**913.6**	**792.7**
Leverage ratio		
Interest bearing liabilities	330.4	243.2
Equity	781.8	683.7
Reported leverage ratio	**0.42**	**0.36**
Capital turnover rate		
Net sales	2,063.0	1,906.4
Average total assets	1,571.0	1,320.9
Reported capital turnover rate	**1.3**	**1.4**

Note 29 Subdivision of income statement by cost type

THE GROUP, SEK m	2019	2018
Revenue		
Net sales	2,063.0	1,906.4
Other revenue	11.8	11.3
Operating cost		
Merchandise	-1,134.7	-1,057.0
Other external costs	-349.3	-339.2
Personnel costs	-381.1	-323.7
Depreciation and impairment of property, plant and equipment	-36.1	-12.4
Depreciation and impairment of intangible assets	-61.1	-59.5
Other expenses	-0.4	-3.6
Operating profit/loss	**112.1**	**122.3**
Profit/loss from financial items		
Interest income and similar profit/loss items	5.9	5.4
Interest costs and similar profit/loss items	-10.7	-4.7
Profit/loss after financial items	**107.3**	**123.0**
Tax on profit/loss for the year	-29.4	-31.5
Profit/loss for the year	**77.9**	**91.5**

PARENT COMPANY, SEK m	2019	2018
Revenue		
Net sales	1,566.0	1,483.9
Other revenue	9.0	8.2
Operating cost		
Merchandise	-951.0	-870.2
Other external costs	-341.3	-316.4
Personnel costs	-158.2	-157.6
Depreciation and impairment of property, plant and equipment	-6.4	-5.6
Depreciation and impairment of intangible assets	-64.7	-66.6
Other expenses	1.4	-5.1
Operating profit/loss	**54.8**	**70.6**
Profit/loss from financial items		
Interest income and similar profit/loss items	21.9	10.5
Interest costs and similar profit/loss items	-20.1	-4.9
Profit/loss after financial items	**56.6**	**76.2**
Tax on profit/loss for the year		
Profit/loss for the year	-15.6	-19.2
Profit/loss for the year	**41.0**	**57.0**

The undersigned hereby pledge that the consolidated accounts and the annual report have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and according to good accounting practices and give a true picture of the Group's and company's position and earnings and the consolidated directors' report and directors' report give a true overview of developments in the Group's and company's business, position and earnings and describes significant risks and uncertainty factors faced by Group companies.

Malmö, March 24, 2020

Lennart Jacobsen
Chairman of the Board

Henri Österlund
Vice-Chairman of the Board

Josephine Salenstedt
Board member

Towa Jexmark
Board member

Niklas Savander
Board member

Mona Sahlberg
Employee representative

Carl-Johan Zetterberg Boudrie
CEO

Our auditor's report was submitted on March 24, 2020
PricewaterhouseCoopers AB

Magnus Willfors
Authorized Public Accountant
Lead partner

Johan Rönnbäck
Authorized Public Accountant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Menu
Name
doro

Auditor's report

To the annual general meeting of Doro AB (publ), corp. reg. no. 556161-9429

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Doro AB (publ) for the year 2019 except for the corporate governance statement on pages 30-33. The annual accounts and consolidated accounts of the company are included on pages 23-68 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance on pages 30-33. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-22 and 72-75. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express

Key audit matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Valuation of intangible assets ***Refer to note 1 and note 7 in the annual report*** The value of Goodwill with indefinite economic use amounted, as of 31 December 2019, to 513.5 MSEK. In accordance with IFRS, management shall annually perform an impairment test. No impairment requirement was identified in conjunction with the testing undertaken by management. Some of the assumptions and judgments undertaken by management regarding future cash flows and other circumstances are complex and have an impact on the calculation of the value in use. This applies, in particular, to the following: growth rate, profit margins and discount rate. Changes in these assumptions could lead to a change in the reported value of Goodwill.	In our audit, we have focused on the risk that Goodwill is reported at an incorrectly high level and that an impairment need could exist. Our audit activities include a review of the applied calculation model and the challenging of significant assumptions applied by management in their tests. We have assessed the reasonableness of the budget presented by management, and which has been approved by the Board of Directors, by evaluating historical outcome against adopted budgets. We have compared the country specific growth in perpetuity values with independent forecasts regarding economic growth and have noted that the assumptions applied are within a reasonable interval; and We have assessed the discount rate (weighted average cost of capital ("WACC")) against comparable operations and have noted that the assumptions applied are within a reasonable interval. We have also evaluated the management's assessment of the manner in which the group's calculation models are impacted by changes in assumptions, and have compared this with the information presented in the annual accounts related to impairment testing. In our audit, we have noted no significant deviations and our assessment is that the disclosures provided regarding significant assumptions and sensitivity analyses as found the Annual report are correct.

any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Doro AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 30-33 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, box 4009, 203 11 Malmö, was appointed auditor of Doro AB (publ) by the general meeting of the shareholders on May 3, 2019 and has been the company's auditor since the 27 April 2017.

Malmö March 24, 2020
PricewaterhouseCoopers AB

Magnus Willfors Authorised Public Accountant Lead partner	Johan Rönnbäck Authorised Public Accountant

Quarterly summary

	2019				2018			
SEK m	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarterly profit trend								
Net sales	**466**	**460**	**521**	**616**	**420**	**424**	**509**	**554**
Operating costs	-445	-433	-488	-585	-395	-398	-476	-516
Operating profit before depreciation (EBITDA)	**44**	**47**	**57**	**61**	**39**	**44**	**54**	**57**
Operating profit after depreciation (EBIT)	**21**	**26**	**34**	**31**	**25**	**26**	**33**	**38**
Finance net	-1	-2	-2	0	0	3	0	-3
Profit/loss before tax	**20**	**25**	**32**	**30**	**25**	**29**	**33**	**35**
Income tax	-5	-6	-9	-10	-6	-9	-7	-10
Profit/loss for the year	**15**	**19**	**23**	**21**	**19**	**21**	**26**	**26**
Quarterly balance sheet for the Group								
Intangible assets	623	636	686	698	482	605	609	612
Tangible assets	114	112	124	123	21	39	42	41
Financial assets	6	6	6	6	9	9	8	8
Deferred Tax Asset	6	7	16	17	10	9	4	7
Inventories	289	281	299	244	215	243	268	264
Current receivables	370	386	413	391	332	376	395	399
Cash and bank balances	151	149	168	198	29	91	99	134
Total assets	**1,559**	**1,577**	**1,712**	**1,677**	**1,097**	**1,372**	**1,425**	**1,464**
Shareholders' equity	718	734	761	782	602	643	666	684
Long -term Liabilities	324	344	379	346	63	285	282	284
Current Liabilities	517	499	572	550	433	444	477	496
Total shareholders' equity and liabilities	**1,559**	**1,577**	**1,712**	**1,677**	**1,097**	**1,372**	**1,425**	**1,464**
Quarterly cash flow								
Operating profit/loss	44	47	57	61	39	44	54	57
Other non cash flow items	1	-6	-2	6	-2	-7	1	-2
Taxes	-10	-1	-7	-10	-1	-6	-4	-4
Change in working capital	6	-11	25	43	19	16	7	11
Cash flow from current activities	**41**	**29**	**73**	**100**	**55**	**47**	**57**	**63**
Investments	-22	-29	-49	-43	-22	-135	-26	-27
Cash flow from investment activities	**-22**	**-29**	**-49**	**-43**	**-22**	**-135**	**-26**	**-27**
Dividend/ Premium for Warrant Program	0	0	0	0	-13	-6	0	0
New share issue and premium for warrant program	0	0	0	0	0	0	2	0
Change in interest-bearing liabilities	-4	-2	-7	-25	-50	155	-25	0
Cash flow from financial activities	**-4**	**-2**	**-7**	**-25**	**-63**	**149**	**-23**	**0**
Translation differences and other	2	0	2	-1	2	1	-1	-1
Liquid assets (change in liquid funds)	**17**	**-2**	**19**	**31**	**-28**	**62**	**8**	**36**

Five-year summary

SEKm	2019	2018	2017	2016	2015
Income statement					
Income	**2,063.0**	1,906.4	1,924.0	1,959.1	1,838.0
Operating profit/loss before depreciation and write-downs, EBITDA	**209.3**	194.3	156.2	121.5	139.2
Operating profit/loss after depreciation and write-downs, EBIT	**112.1**	122.3	92.0	47.7	95.2
Net financial items	**-4.8**	0.7	-0.3	-8.3	-10.8
Profit/loss before tax	**107.3**	123.0	91.7	39.4	84.4
Balance sheet					
Fixed assets	**843.8**	667.5	502.8	496.2	481.4
Current assets	**635.2**	662.7	617.4	730.7	673.8
Cash and bank balances	**198.5**	134.2	57.1	61.0	43.9
Shareholders' equity	**781.8**	683.7	583.7	520.0	482.0
Long-term liabilities	**345.9**	284.4	119.2	197.1	170.3
Current liabilities	**549.9**	496.5	474.4	570.8	546.6
Balance sheet total	**1,677.5**	1,464.4	1,177.3	1,287.7	1,989.9
KEY FIGURES (Definitions on page 74)					
Return ratios					
Average return on capital employed, %	**12.9**	16.1	13.5	7.5	17.2
Average return on shareholders' equity, %	**10.6**	14.4	12.1	6.2	15.6
Cash Conversion Rate	**217.0**	181.0	130.0	129.3	90.0
Margins					
Operating margin, EBITDA, %	**10.1**	10.2	8.1	6.2	7.6
Operating margin, EBIT, %	**5.4**	6.4	4.8	2.4	5.2
Net margin, %	**5.2**	6.5	4.8	2.0	4.6
Capital turnover					
Capital turnover rate (multiple)	**1.3**	1.4	1.6	1.6	1.8
Financial data					
Equity/assets ratio, %	**46.6**	46.7	49.6	40.4	40.2
Cash flow from current activities	**242.7**	221.8	119.5	61.7	85.7
Number of employees	**988.0**	685.0	458.0	500.0	358.0
Liquid assets (incl. unused credit)	**198.5**	134.2	107.1	111.0	89.8
Investments (incl. acquisitions)	**142.6**	210.0	70.2	96.4	220.7

Definitions

Average number of shares
Number of shares at the end of the month divided by the number of months, excluding shares in own custody.

Average number of shares, diluted
Average number of shares adjusted for the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the redemption price and the assumed number of shares issued at the average share price for the period.

Capital employed
Total assets less non-interest-bearing liabilities and cash and cash equivalents.

Capital turnover rate
Net sales for the year divided by the average balance sheet total.

Cash conversion rate
Cash flow from operating activities divided by EBIT.

Cash flow
Cash flow from operating activities.

Cash flow per share
Cash flow from operating activities divided by the average number of shares.

EBIT margin
Operating profit/loss (after depreciation/amortisation) as a percentage of sales for the year.

EBITDA margin
Profit/loss before depreciation/amortisation as a percentage of sales for the year.

Equity per share
Shareholders' equity at the end of the period divided by the number of shares at the end of the period.

Equity per share, diluted
Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.

Equity/assets ratio
Shareholders' equity as a percentage of the balance sheet total.

Interest coverage ratio
Profit/loss after net financial items plus interest expenses divided by financial expenses.

Market capitalisation, SEKm
Share price at the end of the period multiplied by the number of shares at the end of the period.

Net debt/equity ratio
Interest-bearing liabilities minus cash position as a percentage of shareholders' equity.

Net margin
Profit/loss after financial items as a percentage of sales for the year.

Number of shares at end of period
Number of shares at the close of the period.

Number of shares at end of period, diluted
The number of shares at the end of the period adjusted for the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the redemption price and the assumed number of shares issued at the average share price at the end of the period.

Reported equity per share
Shareholders' equity divided by the number of shares at year-end.

Return on average capital employed
Operating profit/loss divided by the quarterly average capital employed excluding cash and bank balances.

Return on average shareholders' equity
Profit/loss after financial items and tax divided by average shareholders' equity.

Share price at period end, SEK
Closing price at the end of the period.

ANNUAL GENERAL MEETING 2020

The Annual General Meeting in Doro AB will be held in Malmö on 24 April 2020, at Hotel Story, Tyfongatan 1, Malmö.

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